

Title to the real property hereinafter described is vested in fee simple to BEVERLY J. WRIGHT (hereinafter "Wright"). The property is subject to an encumbrance created by a Land Sale Contract dated August 24, 1999, the Memorandum of which was recorded on August 25, 1999 in Volume M99, Page 34466, Microfilm Records of Klamath County, Oregon, between Wright as Seller and VINCENT J. COFFARO and CAROLYN L. COFFARO, husband and wife (hereinafter "Coffaro"), as tenants by the entirety, as to an undivided one-half interest, and as tenants in common with CARROLL B. LEWIS and MICHELLE C. LEWIS, husband and wife (hereinafter "Lewis"), as tenants by the entirety, as to an undivided one-half interest. Lewis conveyed their interest in the property to Coffaro by Bargain and Sale Deed, dated April 6, 2001, which was recorded on April 11, 2001 in Volume M01, Page 15062, Klamath County, Oregon

Coffaro and Lewis, as Buyers, do not desire to pay the indebtedness as required to be paid pursuant to the terms of the Contract dated August 24, 1999.

Coffaro, having acquired all of the right, title and interest in the property from Lewis, desires to execute and deliver to Wright an absolute Deed of Conveyance to the property encumbered by the lien or encumbrance created by the Contract of Sale mentioned herein.

Wright agrees to accept this Estoppel Deed upon the terms and conditions hereinafter stated.

NOW, THEREFORE, in consideration for a release of Coffaro and Lewis of all further obligations owing, pursuant to the terms of the Contract dated August 24, 1999, and recorded on August 25, 1999, Coffaro does hereby grant, bargain, sell and convey to Wright the real property located in Klamath County, Oregon, which real property is described on Exhibit A, attached hereto, and by this reference incorporated herein.

Coffaro covenants and warrants that:

1. This Deed is absolute in legal effect and form and is intended to, and does, convey all right, title and interest in the property above-described, held by Coffaro, as Grantor, to Wright, as Grantee. In addition, this Estoppel Deed terminates all redemption rights which Coffaro is entitled to, both statutory and/or otherwise, and does not operate as a mortgage, trust conveyance, or security of any kind.

2. Coffaro surrenders possession of the property, the improvements thereon, all of which shall be deemed the sole and separate property of Wright. No other party is in possession of the property or has any interest of any kind or nature in the property.

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3. Coffaro has not entered into any agreement to sell, transfer or dispose of the real property, or any improvements thereon, if any, nor has Coffaro entered into a lease or rental agreement pertaining to the real property mentioned herein.

4. In granting the Estoppel Deed, Coffaro is not acting under any misapprehension as to the effect thereof, nor under any duress, undue influence, or misrepresentation by Wright, her agents, representatives, or attorneys.

Upon acceptance of this Estoppel Deed, by Wright, and in consideration thereof, Wright covenants and agrees:

1. That Wright will forever forbear taking any action whatsoever to collect against Coffaro or Lewis, their successors or assigns, the indebtedness that remains due and owing pursuant to the terms of the Land Sale Contract mentioned herein, other than by foreclosure of the Land Sale Contract in the event the same becomes necessary, and that in such foreclosure proceedings, Wright will not seek, obtain, or permit a deficiency judgment against Coffaro or Lewis, their successors or assigns, such rights and remedies being hereby waived. In the event that a general judgment lien or Decree of Foreclosure should arise against Coffaro or Lewis, their successors or assigns, as a result of the foreclosure of the Land Sale Contract mentioned herein, which is not satisfied or discharged by foreclosure sale in due course in such foreclosure proceedings, Wright agrees to satisfy or discharge such judgment lien to the extent that it affects any property of Coffaro or Lewis, other than the property described in this document.

2. This Estoppel Deed does not affect the merger of the fee ownership of the property and any lien or encumbrance created by the Land Sale Contract as described herein. The fee title in the lien or encumbrance created by the Land Sale Contract shall remain separate and distinct.

3. Coffaro, on their behalf, and as an agent on behalf of Lewis, to the extent that Lewis retains any interest in the property, agrees to waive their rights of redemption, whether statutory or otherwise, in the property, the acceptance of this Estoppel Deed is expressly conditioned thereon.

4. The acceptance of this Estoppel Deed by Wright does not excuse Coffaro from innocent or intentional misrepresentations of any statement concerning any covenant made by Coffaro as contained in this document.

5. Coffaro represents and warrants that Lewis has no further right, title, or interest in the real property, or any part thereof, by reason of the Bargain and Sale Deed whereby Lewis has conveyed all of their right, title and interest in the real property to Coffaro, as pertains

to the real property described herein, which Deed was dated on April 6, 2001, and recorded in Volume M01, Page 15062 of the Records of Klamath County, Oregon.

6. There are no other liens or encumbrances on the property which is being conveyed, other than what is set forth on Exhibit A, which is attached hereto, and by reference incorporated herein.


7. The true and actual consideration stated in terms of dollars is zero (0). The consideration consists of a release of the Coffaro's and Lewis' liability and of their successors and assigns to Wright for the balance of the payment obligations as owing as represented by the Land Sale Contract dated August 24, 1999.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

DATED: JULY 16, 2001

"COFFARO"

  
\_\_\_\_\_  
Vincent J. Coffaro

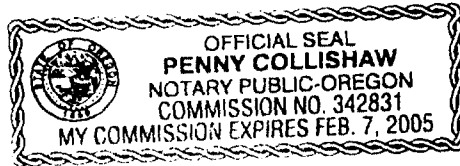
  
\_\_\_\_\_  
Carolyn L. Coffaro

STATE OF OREGON       )  
                                  ) ss  
County of Jackson     )

Before me, a Notary public, personally appeared VINCENT J. COFFARO, known to me to be the person who executed the foregoing instrument, and acknowledged to me that he signed the same as his free and voluntary act and deed.

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WITNESS my hand and seal this 16 day of July, 2001.

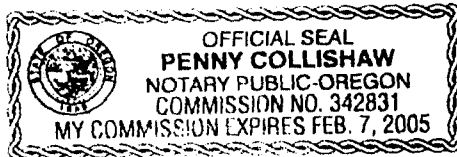


Penny Collishaw  
 NOTARY PUBLIC FOR OREGON  
 My Commission Expires 2/7/2005

STATE OF OREGON        )  
                                       ) ss  
 County of Jackson        )

Before me, a Notary public, personally appeared CAROLYN L. COFFARO, known to me to be the person who executed the foregoing instrument, and acknowledged to me that she signed the same as her free and voluntary act and deed.

WITNESS my hand and seal this 16 day of July, 2001.



Penny Collishaw  
 NOTARY PUBLIC FOR OREGON  
 My Commission Expires 2/7/2005

Lot 9, Running Y Resort, Phase I, according to the Official Plat thereof on file in the office of the County Clerk of Klamath Falls, Oregon.

Subject to:

1. General exceptions as set forth in a Standard Title Policy issued in Klamath County, Oregon.
2. Real property taxes for the fiscal year 1999-2000, which are Buyer's responsibility to pay.
3. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Timber.
4. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements, of Wocus Irrigation District.
5. An easement created by instrument, subject to the terms and provisions thereof,  
Dated: August 23, 1917  
Recorded: August 30, 1917  
Volume: 47, page 264, Deed Records of Klamath County, Oregon  
For: A 60 foot right of way
6. Easement and release of damages, subject to the terms and provisions thereof, given by Geary Investment Company, an Oregon corporation, et al., to The California Oregon Power Company, a California corporation, dated December 11, 1923, recorded October 4, 1924, in Volume 64, page 489, Deed Records of Klamath County, Oregon, relative to raising and/or lowering the waters of Upper Klamath Lake between the elevations of 4137 and 4143.3 feet above sea level.
7. Rights of way for transmission line, subject to the terms and provisions thereof, given by George E. Stevenson and Myler C. Stevenson, husband and wife, to The California Oregon Power Company, a California corporation, dated October 1, 1925, recorded February 18, 1926, in Volume 69 page 299, Deed Records of Klamath County, Oregon.
8. Easements and releases of claims for damages, subject to the terms and provisions thereof, relative to raising and/or lowering the waters of Upper Klamath Lake between the levels of 4137 and 4143.3 feet above sea level, given to The California Oregon Power Company, a California corporation, by instruments recorded May 1, 1923 in Volume 61, page 116 and April 5, 1932, in Volume 97 page 211, 213, 215, 217, 219, 221, 223, 225, and 227, Deed Records of Klamath County, Oregon.
9. Right of way for transmission line, subject to the terms and provisions thereof, given by George E. Stevenson and Myler C. Stevenson, his wife, to The California Oregon Power Company, a California corporation, dated November 10, 1938 and recorded December 26, 1939 in Volume 126 page 192, Deed Records of Klamath County, Oregon.
10. Joint obligations with other lands in and to the premises set out as Parcel 2 of Tract B, subject to the terms and provisions thereof, as disclosed in deed from George E. Stevenson and Myler Stevenson, husband and wife, to The California Oregon Power Company, a California corporation, dated April 1, 1940, recorded April 1, 1940, in Volume 128 page 207, Deed Records of Klamath County, Oregon.

11. Easement and release of damages relative to raising and/or lowering the waters of Upper Klamath Lake between the levels of 4137 and 4143.3 feet above sea level, subject to the terms and provisions thereof, given by Donald Blackwell Hunt, also known as Donald B. Hunt, and Esther Cecilia Hunt, his wife, to California Oregon Power Company, a California corporation, and The California Oregon Power Company, a California corporation, dated February 26, 1943, recorded August 31, 1943, in Volume 158 page 183, Deed Records of Klamath County, Oregon, as modified by agreement between The California Oregon Power Company, a California corporation, and Donald Blackwell Hunt, also known as Donald B. Hunt, and Esther Cecilia Hunt, his wife, dated June 30, 1948, recorded August 6, 1948, in Volume 223 page 400, Deed Records of Klamath County, Oregon.
12. Easement for irrigation and/or drainage purposes, subject to the terms and provisions thereof, given by Edward A. Geary, et al, to Wocus Drainage District, a municipal corporation, dated September 1, 1954, recorded September 7, 1954, in Volume 269 page 163, Deed Records of Klamath County, Oregon.
13. An easement created by instrument, subject to the terms and provisions thereof,  
 Dated: May 15, 1955  
 Recorded: May 28, 1956  
 Volume: 283, page 411, Deed Records of Klamath County, Oregon  
 In favor of: The California Oregon Power Co.  
 For: Transmission and distribution of electricity
14. An easement created by instrument, subject to the terms and provisions thereof,  
 Recorded: September 30, 1960  
 Volume: 324, page 373, 379 and 382, Deed Records of Klamath County, Oregon  
 For: A 40 foot roadway right of way
15. Reservations and restrictions in deed, subject to the terms and provisions thereof, from Edward A. Geary, et al., to Ruth H. Teasdel, dated June 30, 1966, recorded July 18, 1966, in Volume M66 page 7241, Microfilm Records of Klamath County, Oregon.
16. Roadway Easement given by Gil Brothers Feed Yards, and Gill Cattle Company to Esther Cecilia Hunt, subject to the terms and provisions thereof, dated and recorded June 12, 1972, in Volume M72 page 6270 and M72 page 6274, Microfilm Records of Klamath County, Oregon.
17. Letter dealing with water contracts, subject to the terms and provisions thereof, dated April 1, 1980, recorded December 2, 1980, in Volume M80 page 23384, Microfilm Records of Klamath County, Oregon.
18. Covenants, conditions and restrictions as shown on recorded plat, as follows:
  1. All streets are private ways.
  2. Sewage disposal for all lots will be supplied by Running Y Utility Company.
  3. Running Y Resort, Inc. reserves easements for road purposes over all private ways, including construction and maintenance of utilities, drainage, irrigation systems, signs, cart paths and the right of ingress and egress for players during the regular course of play on the golf course.
  4. Running Y Resort, Inc. reserves easements for golf course purposes including, signs, cart paths, irrigation systems, the right of ingress and egress for construction and maintenance and for players during the regular course of play on the golf course.
  5. Drainage and utility easements as shown on this plat.
  6. Access easement as shown on this plat.

- 19. Access easements as dedicated or delineated on the recorded plat.
- 20. Golf easement as dedicated or delineated on the recorded plat.
- 21. Utility and drainage easement as dedicated or delineated on the recorded plat.
- 22. Covenants, conditions, restrictions and easements, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms and provisions thereof,  
Recorded: August 2, 1996  
Volume: M96, page 23548, Microfilm Records of Klamath County, Oregon
- 23. Levies and assessments of the Running Y Ranch Resort Owner's Association as provided for in the Covenants, Conditions and Restrictions.

State of Oregon, County of Klamath  
Recorded 08/22/01 at 11:04a m.  
In Vol. M01 Page 42608  
*Linda Smith,*  
County Clerk Fee \$ 51<sup>00</sup>