



After recording return to:
 North Star Fitness Corp dba National
 Fitness and Racquet Club
 2524 Crosby Avenue
 Klamath Falls, OR 97603

Until a change is requested all tax statements
 shall be sent to the following address:
 North Star Fitness Corp dba National
 Fitness and Racquet Club
 2524 Crosby Avenue
 Klamath Falls, OR 97603

File No.: 7029-75087 (cs)
 Date: January 08, 2003

THIS IS State of Oregon, County of Klamath
 Recorded 01/30/2003 2:04 p.m.
 Vol M03 Pg 05836-37
 Linda Smith, County Clerk
 Fee \$ 26.00 # of Pgs 2

STATUTORY WARRANTY DEED

James T. Mathews and Judith E. Mathews as tenants by the entirety, Grantor, conveys and warrants to **North Star Fitness Corp dba National Fitness and Racquet Club, a Oregon Corporation**, the following described real property free of liens and encumbrances, except as specifically set forth herein:

PARCEL 1:

The North 250 feet of the West 210 feet of Lot 1 in Block 6 of TRACT 1080, WASHBURN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

PARCEL 2:

A tract of land situated in Tract 49, ENTERPRISE TRACTS, a duly recorded subdivision, also being in the NE 1/4 SE 1/4 Section 4, Township 39 South, Range 9 E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwest corner of Lot 1, Block 6, Tract 1080, Washburn Park, a duly recorded subdivision, said point being S 47°30'05" W. 692.61 feet from the East 1/4 corner of said Section 4; thence N. 89°55'10" W. 26.85 feet; thence S 00°04'50" W. 50.00 feet; thence along the arc of a curve to the left (central angle = 21°06'45" and radius = 170.00 feet) 62.64 feet; thence along the arc of a curve to the right (central angle = 21°06'45" and radius = 230.00 feet) 64.75 feet to a point on the West line of said Lot 1, Block 6; thence N. 00°04'50" E. 194.08 feet to the point of beginning, with bearings based on said Tract 1080, WASHBURN PARK.

PARCEL 3:

The South 169.56 feet of the West 210 feet of Lot 1, Block 6, TRACT 1080, WASHBURN PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.


This property is free from liens and encumbrances, EXCEPT:

1. Covenants, conditions, restrictions, reservations, easements for public utilities, districts, water companies, alleys and streets, rights and rights of way of record, if any; also exceptions of oil, gas, minerals and hydrocarbons, and/or lease, if any, without the right of surface entry.

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.

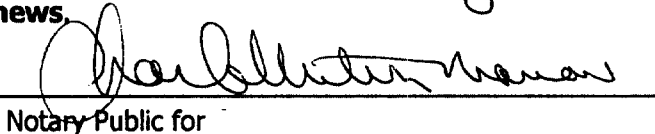
The true consideration for this conveyance is **\$650,000.00**. (Here comply with requirements of ORS 93.030)


James T. Mathews


Judith E. Mathews

STATE OF California)
County of Sacramento) ss.

This instrument was acknowledged before me on this 29 day of January, 2003
by **James T. Mathews and Judith E. Mathews**.


Notary Public for



My commission expires: March 10 2006