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Vol M03 Page 61668**TICOR TITLE™**

State of Oregon, County of Klamath
 Recorded 08/22/2003 3:16 p m
 Vol M03 Pg 61668-69
 Linda Smith, County Clerk
 Fee \$ 26.00 # of Pgs 2

After Recording Return To:

Key Title Company
 744 NE 7th Street
 P.O. Box 1960
 Grants Pass OR 97526-0167

Send Tax Statements To:

Allan C. Williams
 2525 Orindale Road
 Klamath Falls OR 97601

Title Order No.

Escrow No. 26-38249
 Tax Account No. R493442,
 R816022

SPECIAL WARRANTY DEED

(ORS 93.855)

Federal National Mortgage Association, a Texas corporation, Grantor, conveys and specially warrants to Allan C. Williams and Patti M. Williams, as tenants by the entirety, Grantee, the following described real property free of encumbrances created or suffered by the Grantor except as specifically set forth herein:

See Exhibit 'A' attached hereto and by reference made a part hereof.

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 \$157,000.00.

Dated this 13 day of August, 2003.

FEDERAL NATIONAL MORTGAGE ASSOCIATION

By: Cheryl Young

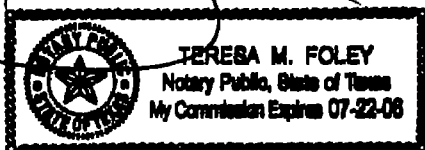
Cheryl Young
 Vice President

State of Texas, County of Dallas)ss.

This instrument was acknowledged before me on August 13, 2003
 by Cheryl Young, of Federal National
 Mortgage Association. Vice President

Notary Public

My commission expires: _____



26A

61669

Exhibit A**PARCEL 1:**

The S 1/2 SE 1/4 SE 1/4 Section 1, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM a tract of land in the S 1/2 SE 1/4 SE 1/4 Section 1, Township 39 South, Range 8 East of the Willamette Meridian, more particularly described as follows:

Beginning at the Northwest corner of the S 1/2 SE 1/4 SE 1/4 Section 1, Township 39 South, Range 8 East of the Willamette Meridian; thence East along the North boundary of said S 1/2 SE 1/4 SE 1/4 Section 1, Township 39 South, Range 8 East of the Willamette Meridian, a distance of 695.7 feet; thence South 333.8 feet; thence North 88° 20' West 500.0 feet; thence North 1° 40' East 35.3 feet; thence North 88° 20' West 197.0 feet to the West boundary of the above mentioned S 1/2 SE 1/4 SE 1/4 Section 1; thence North 278.0 feet, more or less, to the point of beginning.

ALSO EXCEPTING 25.0 foot strip of land along the West boundary for existing roadway.

PARCEL 2:

A tract of land situated in the NE 1/4 NE 1/4 of Section 12, Township 39 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Northeast corner of said Section 12; thence North 89° 48' 02" West, generally along an existing fence line, 1342.63 feet to the West line of said NE 1/4 NE 1/4; thence North 00° 35' 19" East, along said West line, 8.99 feet to the Northwest corner of said NE 1/4 NE 1/4; thence South 89° 25' 01" East 1342.60 feet to the point of beginning, with bearings based on Survey No. 3400, as recorded in the office of the Klamath County Surveyor.