K. 59115 SPECIAL WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, That WASHINGTON MUTUAL BANK, a Washington state chartered stock savings bank, successor in interest to Western Service Co., an Oregon corporation, hereinafter called grantor, for the consideration hereinafter stated, conveys and specially warrants to BLUE STAR PROPERTIES, INC., an Oregon corporation, hereinafter called grantee, and unto grantee's heirs, successors and assigns all of that certain real property with the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, situated in the County of Klamath, State of Oregon, described as follows, to wit:

SEE ATTACHED EXHIBIT 'A' FOR LEGAL DESCRIPTIONS WHICH IS MADE A PART HERE TO BY THIS REFERENCE.

To have and to hold the same unto the said grantee and grantee's heirs, successors and assigns forever.

AND the grantor hereby covenants to and with the said grantee and grantee's heirs, successors and assigns that said real property is free from encumbrances created or suffered thereon by grantor and that grantor will warrant and defend the same and every part and parcel thereof against the lawful claims and demands of all person claiming by, through, or under the grantor.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$600,000.00.

However, the actual consideration consists of or includes other property or value given or promised which is (the whole/part of the) consideration (indicate which) this sentence if not applicable, should be deleted. See ORS 93.030)

In construing this deed and where the context so requires, the singular includes the plural and all grammatical changes shall be implied to make the provisions hereof apply equally to corporation and to individuals.

In witness whereof, the grantor has executed this instrument this 124 day of 1250, 2003; if a corporate grantor, it has caused its name to be signed and seal affixed by its officers, duly authorized thereto by order of its board of directors.

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 OF 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.

WASHINGTON MUTUAL BANK, a Washington State chartered stock savings bank

H. Arthur West, Vice President

Print name
Notary Public is and for the State of Western gloss
My commission expires: 04/15/66

Washington Mutual Bank 1111 Third Avenue, EET2933 Scattle, WA 98101 Grantor's Name and Address Blue Star Properties, Inc. PO BOX 40 Medford, Oregon 97501 Grantee's Name and Addr After Recording return to: Blue Star Properties, Inc. PO BOX 40 Medford, Oregon 97501 Until a Change is requested, all tax statements shall be sent to the following addr Blue Star Properties, Inc. PO BOX 40

Medford Oregon 97501

State of Oregon, County of Klamath
Recorded 10/20/03 //: 4/ a. m
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Linda Smith, County Clerk
Fee \$ 26 # of Pgs 2

EXHIBIT 'A' (Legal Description)

Lots 1, 2, 3, 4, 5, 5-1/2, 6, 7, 8, 9, and 10 in Block 95 of Klamath Addition to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Also, a parcel of land adjacent to Lot 5-1/2 in said Block 95 of Klamath Addition to the City of Klamath Falls, Oregon, more particularly described as follows: Beginning on the Northeasterly line of 7th Street, at the most Southerly corner of said Lot 5-1/2, thence Northeasterly along the line of said Lot 5-1/2 a distance of 25 feet to the Westerly line of Lot 6 in said Block 95; thence Southeasterly along said Westerly line of Lot 6, to the Northwesterly line of Plum Street; thence Southwesterly along the Northwesterly line of 7th Street to the Northeasterly line of 7th Street, thence Northwesterly along the Northeasterly line of 7th Street to the point of beginning.

Also the alley through Block 95 of Klamath Addition to the City of Klamath Falls, Oregon, according to the duly recorded plat thereof from it's intersection with the Easterly line of 7th Street, Klamath Falls, Oregon, to its intersection with the Easterly line of said Block of 95 of Klamath Addition to the City of Klamath Falls, Oregon.

