

MTC #22676-L
SPECIAL WARRANTY DEED
No. 15531

THIS INDENTURE, made this 5th day of October, A.D., 1990, between JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, a corporation duly organized under the laws of the Commonwealth of Massachusetts and having its principal place of business in Boston, in the County of Suffolk, and Commonwealth of Massachusetts, (Grantor), and CHRISTOPHER R. STEELE and SHARON L. STEELE, Trustee of the CHRIS AND SHARON STEELE 1986 IRREVOCABLE TRUST (Grantee),

WITNESSETH, That the Grantor, for the sum of Three Million Two Hundred Fifty Thousand and 00/100 (\$3,250,000.00) Dollars, and other good and valuable consideration, to it in hand paid by the Grantee, the receipt of which is hereby acknowledged, has GRANTED, SOLD and CONVEYED, and by these presents does GRANT, SELL and CONVEY unto the said Grantee the following land and improvements thereon, situated in the County of Klamath, and State of Oregon, more particularly described as follows:

(SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF)

The within-described premises are hereby conveyed "as is," by the tract and not by the acre, the acreage not being guaranteed by the Grantor, and are also conveyed subject to the rights of any tenants or lessees, any persons in possession; all outstanding mineral rights or reservations, oil, gas or mineral leases; water districts, water rights; restrictions or reservations, roadways, rights of way, easements; any contracts purporting to limit or regulate the use, occupancy or enjoyment of said premises; and any matters which could be disclosed by an accurate, current survey or inspection of said premises.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED ON EXHIBIT A HERETO IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT THE GRANTEE ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

TO HAVE AND TO HOLD THE within-described premises, together with all and singular the rights and appurtenances thereto in anywise belonging, unto the said Grantee, its heirs and assigns, forever.

And Grantor does hereby warrant and forever defend all and singular the said premises unto the Grantee, its heirs and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof by, through or under it, except as aforesaid, but against none other.

IN WITNESS WHEREOF, the Grantor has caused its corporate seal to be hereto affixed and these presents to be signed in its name and behalf by Donald A. Morway, one of its Assistant Treasurers, on the day and year first-above written.

Signed, sealed and delivered
in the presence of:

Mary R. Steele
Mary R. Steele
Maria L. DeAndrade
Maria L. DeAndrade

JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY

By Donald A. Morway
Donald A. Morway Assistant Treasurer

THE COMMONWEALTH OF MASSACHUSETTS)
) ss.
COUNTY OF SUFFOLK)

On this 5th day of October, 1990, before me, the undersigned, a Notary Public in and for the said Commonwealth, residing therein, duly commissioned and sworn, personally appeared Donald A. Morway to me personally known, who by me duly sworn, did say that he is an Assistant Treasurer of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY, that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors and as the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in said County the day and year in this certificate first above written.

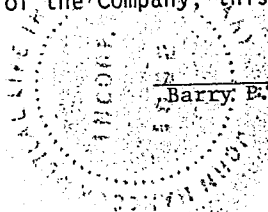
My commission expires:
August 9, 1996

Marie C. O'Brien
Marie C. O'Brien
Notary Public in and for said Commonwealth

At a meeting of the Board of Directors of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY held December 14, 1987, a quorum being present it was

VOTED: That the Chairman of the Board, the President, any Sector President, the Chief Financial Officer, the General Counsel, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, any Treasury Officer, any Senior Investment Officer, any Investment Officer, any Senior Mortgage Investment Officer and any Mortgage Investment Officer of the Company, or any one of them, are hereby authorized to execute and seal with the corporate seal, acknowledge, and deliver any and all instruments required in connection with any investment, sale or loan authorized by the Committee of Finance.

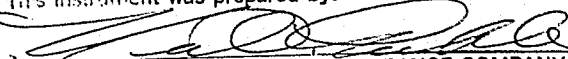
I hereby certify that the above is a true copy of a vote passed December 14, 1987, by the Board of Directors of JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY; that the same still remains in force, and that Donald A. Morway is an Assistant Treasurer of the Company, this 5th day of October, 1990.



Barry P. Sanborn

Assistant Secretary

This instrument was prepared by:



JOHN HANCOCK MUTUAL LIFE INSURANCE COMPANY
John Hancock Pl., P.O. Box 111, Boston, MA 02117

EXHIBIT "A"PARCEL I:

TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN

Section 23: All that portion thereof lying Easterly of Highway No. 97 and Southerly of the centerline of Klamath Straights as presently located and constructed;

EXCEPTING: a strip of land now or formerly in the United States of America as Shown in Deed Volume M76 at Page 4718, described as follows:

Beginning at Point "D", said point being the most Westerly point of Parcel 1 in the aforesaid Deed;

Thence from said point of beginning, N 89° 02' W, 142.2 feet;

Thence N 71° 43' W, 1226.7 feet to a point in the easterly right-of-way boundary of U. S. Highway No. 97, said point being S 69° 53' E, 2942.6 feet from the NW corner of Section 23;

Thence along said right-of-way boundary N 18° 17' E, 150.0 feet;

Thence leaving said boundary S 72° 06' E, 900.1 feet;

Thence S 36° 56' E, 162.1 feet;

Thence S 68° 03' E, 330.0 feet to the point of Beginning.

Section 24: All that portion thereof, lying Easterly of Highway No. 97 and Southerly of the centerline of Klamath Straits as presently located and constructed;

Section 25: All, EXCEPTING the Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4);

Section 26: All of said section lying East of the railroad;

EXCEPTING that piece or parcel of land lying in a strip 100 feet in width, immediately adjacent on the southeasterly side of the original canal right-of-way of the Klamath Drainage District running over and across the SE 1/4 SW 1/4 of Section 23, the NE 1/4 NW 1/4 and the fractional NW 1/4 NW 1/4 of Section 26, more or less, and more particularly described as follows:

Beginning at the point in the line marking the northerly boundary of the SE 1/4 SW 1/4 of Section 23 where a line parallel with and 310.0 feet distant, at right angles, Southeasterly from the centerline of the Southern Pacific Railroad as same is now located and constructed intersects the same and from which point the Section corner common to Sections 22, 23, 26 and 27 bears S 54° 37' W, 2308.1 feet distant; and running

Thence S 16° 57-1/2' W, along a line parallel with and 310.0 feet distant, at right angles, Southeasterly from the said center line of the Southern Pacific Railroad and which said parallel line is the southeasterly boundary of the right-of-way of the Klamath Drainage District's South Canal, 2593.5 feet, more or less, to a point in the northerly boundary of the right-of-way of the said South Canal of the Klamath Drainage District, which is a line parallel with and 100.0 feet distant, at right angles, Northeasterly from the centerline of the said Canal as the same is now located; and running

Thence S 75° 34-1/2' E, along the last-mentioned boundary line, 100.1 feet, more or less, to its intersection with a line which is parallel with and 410.0 feet distant, at right angles, Southeasterly from the said centerline of the Southern Pacific Railroad; and running

Thence N 16° 57-1/2' E, along said last-mentioned parallel line, 2620.0 feet, more or less, to its intersection with the northerly boundary of the SE 1/4 SW 1/4 of Section 23;

Thence S 89° 48-1/2' W, along the last-mentioned boundary line, 104.7 feet, more or less to the said point of beginning.

Section 27: That part of the Southeast Quarter of the Southeast Quarter (pt SE 1/4 SE 1/4) lying East of the easterly right-of-way line of the Klamath Falls-Dorris State Highway, U.S. Highway No. 97;

EXCEPTING

that piece or parcel of land situated in the NW 1/4 NW 1/4, the S 1/2 NW 1/4 and the N 1/2 SW 1/4 of Section 26 and the NE 1/4 SE 1/4 of Section 27, containing 97.7 acres, more or less, and more particularly described as follows:

Beginning at the point of intersection of the easterly boundary of the right-of-way of the Dalles-California Highway as same is now located and constructed with the southerly boundary of the right-of-way of the Ady Canal of the Klamath Drainage District as now located and constructed from which the section corner common to Sections 22, 23, 26 and 27 bears N 36° 30-1/2' West, 1630.7 feet distant; and running

Thence S 75° 34-1/2' E, along said southerly boundary of the Ady Canal right-of-way, 652.3 feet;

Thence S 00° 07' W, 2479.2 feet, more or less, to a point in the southerly boundary of the N 1/2 SW 1/4 of Section 26;

Thence leaving the boundary of the right-of-way of Ady Canal, S 89° 50' W, along the southerly boundaries of the N 1/2 SW 1/4 of said Section 26 and the NE 1/4 SE 1/4 of said Section 27, 2147.0 feet, more or less, to an intersection with the easterly boundary of the right-of-way of the Dalles-California Highway;

Thence N 32° 21-1/2' E, following said right-of-way line, 2097.0 feet;

Thence following a 01° 38-1/2' circular curve to the left, 937.8 feet;

Thence N 16° 57-1/2' E, 23.5 feet, more or less, to the said point of Beginning.

Section 33: The West Half of the Southeast Quarter of the Southeast Quarter (W 1/2 SE 1/4 SE 1/4); and that portion of the Southwest Quarter (pt. SW 1/4) included within the land of the Southern Pacific Company described in Deed Book 23 at Page 205 and in Deed Book 25 at Page 399; (See also Deed Volume M66, Page 5795);

Section 34: Lot 5, EXCEPTING the West 400 feet thereof; and Lots 6, 7, 8, 9, 10, 11, 12, 13 and 14;

Section 35: All

Section 36: All

TOWNSHIP 40 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN

Section 19: That portion of the West Half (pt W 1/2) thereof lying Southerly and Westerly of the Klamath Straits as presently located and constructed;

EXCEPTING any portion lying within the Klamath Straits Drain Enlargement Unit No. K-5 as described in book M76 at page 4636 Deed Records, dated December 2, 1975, recorded April 2, 1976 more particularly described as follows:

A strip or parcel of land in said Section 19. Said parcel having a uniform width of 50.0 feet, where measurable at right angles, and lying Northeasterly of, adjacent to and parallel with, the arc of a curve as said arc is described in Parcel 1 of Book M76 at page 4636, Deed Records.

Section 30: The West Half (W 1/2)

Section 31: The West Half (W 1/2)

TOWNSHIP 41 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN

Section 3: All lying Easterly of Central Pacific Railroad right-of-way and Westerly of the centerline of West Canal, said centerline being more particularly described as follows:

Beginning at a point on the south line of said Section 3 from which the SE corner of said Section bears N 89° 40' 01" E, 872.27 feet;
Thence N 36° 04' W, 158.35 feet;
Thence N 44° 47' W, 1411.69 feet;
Thence N 00° 27' 26" W, 4147.48 feet to the north line of said Section 3; and

EXCEPTING Lot 4 thereof in Klamath Drainage District as shown in Deed Volume 233, Page 550;

Section 4: The North Half of the Northeast Quarter (N 1/2 NE 1/4), the Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4), Lot 1, and that portion of the North Half (pt N 1/2) included within land of the Southern Pacific Company as shown in Deed Book 22, Page 549 and Deed Book 23, Page 497 (See also Deed Volume M66 at Page 5794);

EXCEPTING a piece or parcel of land situate in Government Lot 1 of Section 3 and in Government Lot 1 and the E 1/2 NE 1/4 of Section 4, described as follows:
Bounded Easterly by the westerly line of Oregon State Highway U.S. 97;
Bounded Southerly by the easterly prolongation of the southerly line of the 0.701 acre parcel of land described as Parcel 2 in Deed Volume 350, Page 146 (said prolongation being the southerly line of Lot 1 of Section 4, bearing S 80° 00" E);
Bounded Northerly by the southwesterly line of the county road leading from said Oregon State Highway U.S. 97 to Keno, Oregon; and

Bounded Westerly by the following described line;

Beginning at the point of intersection of the east line of W 1/2 SE 1/4 of Sec. 4 with the southerly line of Lot 2 of said Sec. 4, said point being the SE corner of said 0.701 acre parcel and distant S 17° 55' 06" W, 4267.65 feet from the NE corner of said Sec. 4;

Thence North, along said east line, being also the west line of said Lot 1 of Sec. 4, a distance of 320.83 feet to a point;

Thence Northeasterly along a curve to the left having a radius of 5679.60 feet and a central angle of 10° 50' 35" (tangent to said curve at last mentioned point bears N 31° 47' 35" E) an arc distance of 1074.85 feet;

Thence N 20° 37' E, 99.56 feet;

Thence N 20° 27' E, 2359.20 feet

Thence N 22° 08' 15" E, 75.75 feet to a point;

Thence Northeasterly, along a curve to the right having a radius of 3869.75 feet and a central angle of 08° 40' 19" (tangent to said curve at last mentioned point in last described course) an arc distance of 450.62 feet to a point in the North line of said Sec. 3, distant thereon N 89° 29' 30" E, 245.33 feet from the NW corner of said Sec. 3;

Thence continuing Northeasterly along the continuation of said curve to the right having a radius of 3869.75 feet, an arc distance of 111.65 feet to the Northerly terminus of the line being herein described; and further within a strip of land 100.0 feet in width, lying contiguous to and easterly of the line particularly described in the above excepted parcel; and further that portion thereof lying Southerly of the Northerly line of County Road leading from Oregon State Highway U. S. 97 to Keno, Oregon; and further that portion of the above described 100.00 foot wide strip of land lying Northwesterly of the Southeasterly line of land of the Southern Pacific Company.

EXCEPTING

EXCEPTING

EXCEPTING

PARCEL II:

TOWNSHIP 41 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN

Section 1: The West Half (W 1/2)

Section 2: All

Section 3: All lying Easterly of the centerline of West Canal, said centerline being more particularly described as follows:

Beginning at a point on the south line of Section 3 from which the SE corner of said Section bears N 89° 40' 01" E, 872.27 feet;

Thence N 36° 04' W, 158.35 feet;

Thence N 44° 47' W, 1411.69 feet;

Thence N 00° 27' 26" W, 4147.48 feet to the north line of said Section 3;

Section 10: The Northeast Quarter of the Northeast Quarter (NE 1/4 NE 1/4);

- Section 11: All EXCEPTING the Southwest Quarter of the Southwest Quarter (SW 1/4 SW 1/4);
- Section 12: The West Half (W 1/2);
- Section 13: The North Half of the Northwest Quarter (N 1/2 NW 1/4) and Lots 3 and 4;
- Section 14: The North Half of the Northeast Quarter (N 1/2 NE 1/4), the Northeast Quarter of the Northwest Quarter (NE 1/4 NW 1/4) and Lots, 1, 2, 3, and 4;
- Section 34: Lots 8 through 16 of Block 45, TOWNSITE WORDEN:

BEING

all of the premises conveyed to Grantor by Deed dated June 25, 1985, recorded in Deed Volume M85 at Page 16810, as Instrument No. 54442, in the records of Klamath County, Oregon, and by Deed dated August 22, 1988, recorded in said Records in Deed Volume M88 at Page 13854, as Instrument No. 90758, with the exception of the following described property, title to which is vested in the United States of American and was erroneously conveyed as Parcel 3 in the herein described deeds:

In Township 40 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon

Section 25: The SE 1/4 NW 1/4

After recording return to:
 Steele & Nelson
 2868 Prospect Park Drive Ste. 300
 Rancho Cordova, CA 95670
 Attn: Marilyn Barry

Until a change is requested send tax statements to:
 Steele & Nelson
 2868 Prospect Park Drive Ste. 300
 Rancho Cordova, CA 95670
 Attn: Marilyn Barry

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title co. the 17th day
 of Dec. A.D., 19 90 at 2:39 o'clock P.M., and duly recorded in Vol. M90,
 of Deeds on Page 24944.

FEE \$38.00

Evelyn Biehn - County Clerk
 By Pauline Mulendore