

After recording return to:
 UMPQUA DAIRY PRODUCTS CO.
 P.O. BOX 1306
 ROSEBURG, OR 97470

TITLE ORDER NO. K-49790-D
 KEY ESCROW NO: 22-18254

Until a change is requested tax statements
 shall be sent to the following address:
 SAME AS ABOVE

TAX ACCT. NO: 542050
 MAP NO: 3909-10BA-2400

WARRANTY DEED -- STATUTORY FORM
 (INDIVIDUAL or CORPORATION)

ARTHUR W. MERKL and JOYCE E. MERKL Grantor,

conveys and warrants to:

an Oregon corporation
 UMPQUA DAIRY PRODUCTS CO., Grantee,

the following described real property free of encumbrances except as
 specifically set forth herein:

SEE EXHIBIT "A" WHICH IS MADE A PART HEREOF BY THIS REFERENCE

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 FEB 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 10.930.

The true consideration for this conveyance is \$79,000.00. However, if the
 actual consideration consists of or includes other property or other value
 given or promised, such other property or value was part of the/the whole of
 the (indicate which) consideration.

If grantor is a corporation, this has been signed by authority of the Board of
 Directors.

Dated this 29 day of October, 1996.

GRANTOR(S) -

ARTHUR W. MERKL

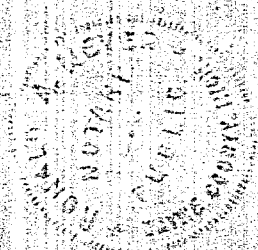
JOYCE E. MERKL

STATE OF OREGON, County of WAYNE) ss.
 MICHIGAN

This instrument was acknowledged before me on October 29, 1996,
 by ARTHUR W. MERKL and JOYCE E. MERKL

Notary Public for Oregon Michigan

My commission expires: 10-4-1999



A tract of land situated in the W 1/2 NE 1/4 NW 1/4 of Section 10, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a 1/2 inch iron pin on the Southerly right of way line of Hilyard Avenue, said pin being North 89° 06' 00" West 908.60 feet and South 00° 05' 16" East 30.00 feet from a 5/8 inch iron pin at the centerline intersection of said Hilyard Avenue and Altamont Drive marking the North quarter corner of said Section 10; thence South 00° 05' 16" East 591.88 feet; thence North 89° 06' 00" West 293.66 feet; thence North 00° 05' 16" West 591.88 feet more or less to the Southerly right of way line of Hilyard Avenue; thence South 89° 05' 00" East 293.66 feet to the point of beginning.

SUBJECT TO:

1. Rules, regulations and assessments of South Suburban Sanitary District;
2. Reservations, including the terms and provisions thereof, as contained in Deed from Nassau Company to Western Cities Company, an Oregon corporation, dated March 24, 1930, recorded April 16, 1930, in Volume 91, Page 167, Deed Records of Klamath County, Oregon, as follows: "Subject to any rights of way heretofore conveyed to the United States Government or to any Governmental body for canals, ditches or laterals for irrigation or drainage purposes; subject also to any roads, streets or rights of way for railroad or other purposes now existing; subject also to maintenance charges or liens for water or drainage of the Klamath Irrigation District".
3. Reservation for construction and maintenance of ditches, canals and pipe lines across premises, including the terms and provisions thereof, as set forth in Deed recorded October 9, 1953, in Volume 263, Page 432, Records of Klamath County, Oregon.
4. Easement, including the terms and provisions thereof, as contained in Deed from Richard A. Nelson to Cloyce E. Barnes and Sue B. Barnes, husband and wife, dated December 19, 1977, recorded December 19, 1977, in Volume M77 Page 24461 Deed Records of Klamath County, Oregon, as follows: "10 foot sanitary sewer easement being the northerly 10 feet of the Easterly 100 feet of the above described tract of land".

STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of Klamath County Title the 19th day
of December A.D., 1996 at 10:41 o'clock A. M. and duly recorded in Vol. M96
of Deeds on Page 39319

FEE \$35.00

Bernetha G. Letsch, County Clerk
by Kathleen Ross