

O'CONNOR LIVESTOCK COMPANY, AN OREGON CORPORATION, WHO ACQUIRED TITLE AS "O'CONNOR LIVESTOCK COMPANY, INC."; AND DANOC CORPORATION, AN OREGON CORPORATION,

Grantor(s) hereby grant, bargain, sell and convey to:
PARADISE HILL DEVELOPMENT, L.L.C.,

Grantee(s) and grantee's heirs, successors and assigns the following described real property, free of encumbrances except as specifically set forth herein in the County of KLAMATH and State of Oregon, to wit:

SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE
SUBJECT TO: all those items of record and those apparent upon the land, if any, as of the date of this deed and those shown below, if any:
and the grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

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 and actual consideration for this conveyance is \$ 600,000.00.

Until a change is requested, all tax statements shall be sent to Grantee at the following address: PO BOX 223, KLAMATH FALLS, OR 97601

Dated this 9th day of September, 19 97

O'CONNOR LIVESTOCK COMPANY

BY: John M O'Connor PRESIDENT
JOHN M. O'CONNOR

DANOC CORPORATION

BY: James B O'Connor PRESIDENT
JAMES B. O'CONNOR

STATE OF Oregon, County of Klamath) ss.

This instrument was acknowledged before me on 9/9, 19 97

by John M. O'Connor as President of O'Connor Livestock Company, an
an Oregon Corporation and James B. O'Connor as President of Danoc Corporation,
an Oregon corporation

Danella Spencer
Notary Public of Oregon

My commission expires 8/16/2000

ESCROW NO. MT36748-PS

Return to:

PARADISE HILL DEVELOPMENT, L.L.C.
PO BOX 223
KLAMATH FALLS, OR 97601

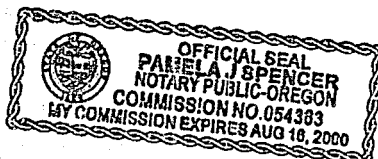


EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1:

The NE1/4 SE1/4; SE1/4SW1/4; S1/2 SE1/4; and that portion of Government Lots 4 and 5 lying Southerly and Easterly of the County Road formerly the Dalles-California Highway of Section 31, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

That portion of Government Lots 1 and 2 lying East of the State Highway as described in Deed Volume 138 page 81 of Section 1, Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, SAVING AND EXCEPTING THEREFROM any portion of Upper Lake Garden Tracts, as same is now platted that may lie in said Government Lot 2.

The W1/2 NW1/4 of Section 8, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

The NE1/4 SW1/4 NW1/4; S1/2 SW1/4 NW1/4; N1/2 NW1/4 SW1/4; S1/2 SW1/4 NW1/4 SW1/4; SE1/4 NW1/4 SW1/4 and the SW1/4 SW1/4 all in Section 5, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

The NE1/4; NW1/4; N1/2 SE1/4; SE1/4 SE1/4, NE1/4 SW1/4 and that portion of Government Lot 1 lying Northeasterly of the County Road, formerly the Dalles-California Highway of Section 6, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon. SAVING AND EXCEPTING that portion conveyed to C.N. Hurtgen by deed executed on November 8, 1943, recorded December 20, 1943, Deed Volume 160 at page 527.

PARCEL 2:

A portion of Government Lot 2 of Section 31, Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East-West center line 1,320.33 feet West of the quarter corner common to Sections 31 and 32, Township 37 South, Range 9 East of the Willamette Meridian, and running thence North 89 degrees 49' West along said center line a distance of 124.22 feet to a point; thence North 1 degree 10' East along the present fence a distance of 1,322.2 feet to a point; thence South 89 degrees 49' East a distance of 141.54 feet to a point; thence South 1 degree 55' West a distance of 1,322.6 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 10th day
of Sept. A.D., 19 97 at 3:37 o'clock P. M., and duly recorded in Vol. M97
of Deeds on Page 29687.

FEE \$35.00

By Bernetha G. Letsch County Clerk
Kathleen Ross