

WHEN RECORDED, MAIL TO:

William H. Holmes
 Steel Rives, LLP
 900 SW Fifth Avenue, Suite 2300
 Portland, Oregon 97204-1268

NEW EARTH CO
 JEAN GLESSON
 1300 MAIN
 KLAMATH FALLS, OR 97601

DEED OF RECONVEYANCE

(Attorney as Trustee)

WILLIAM H. HOLMES, a member of the Oregon State Bar, as Successor Trustee under a Trust Deed, Assignment of Rents and Leases, Security Agreement and Fixture Filing dated July 19, 1996, executed by The New Earth Company, an Oregon corporation, as Grantor, and recorded in Volume M96, at Pages 21792-21815 of the records of the County Recorder of Klamath County, State of Oregon, pursuant to a written request of the Beneficiary thereunder, does hereby reconvey, without warranty, to the person or persons entitled thereto, the trust property now held by said Trustee under said Trust Deed, which Trust Deed covers real and personal property situated in Klamath County, State of Oregon, described as follows:

That certain Real Property, Personal Property, Subleases, and Permitted Encumbrances more particularly described in Exhibits A through D, attached hereto and incorporated herein by this reference.

DATED this 21st day of April, 1999

William H. Holmes
 WILLIAM H. HOLMES, Successor Trustee

STATE OF OREGON)

: ss.

COUNTY OF)

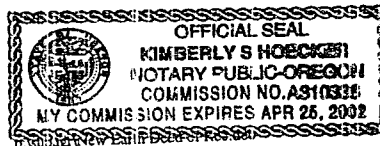
On the 29th day of April, 1999, personally appeared before me William H. Holmes, the signer of the foregoing instrument who duly acknowledged to me that he executed the same.

My Commission Expires: 4-25-02

Kimberly S. Hoecker

NOTARY PUBLIC

Residing at: 1536 SE Condon
 Gresham, OR 97030



19327

21807

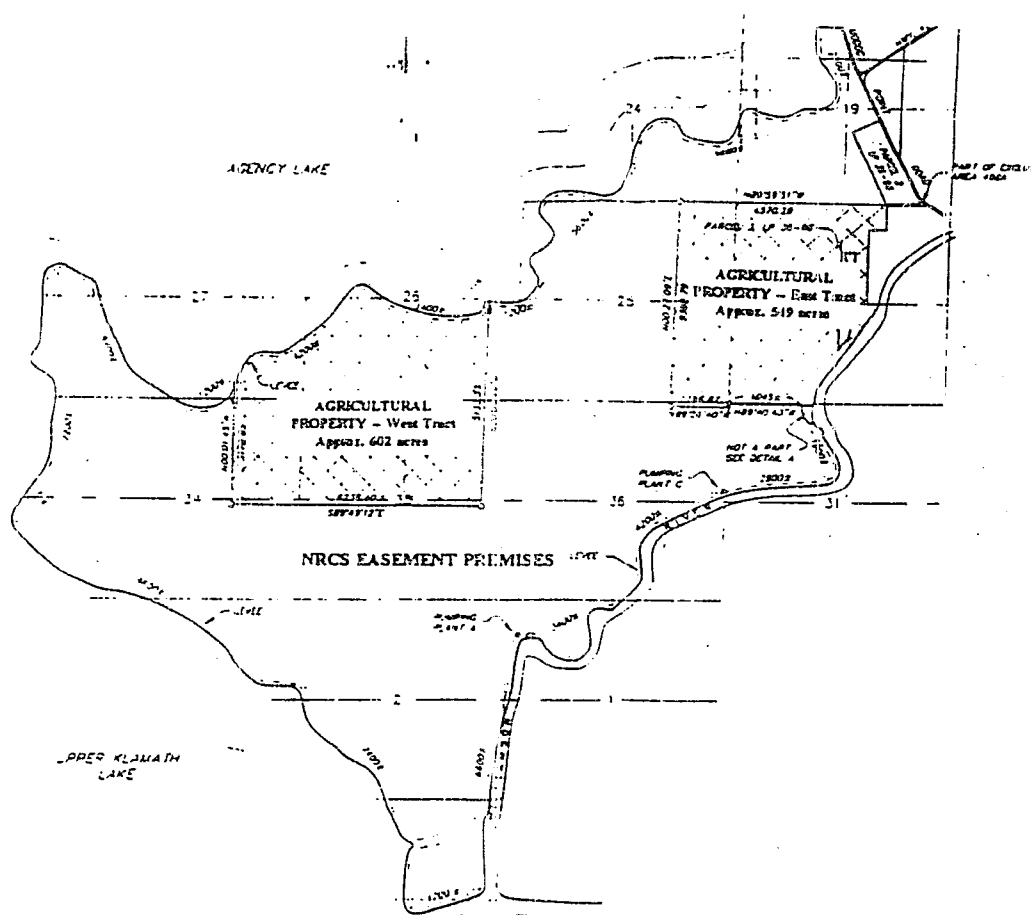
EXHIBIT A

Real Property Description

All of Grantor's undivided 32.85 percent leasehold interest arising under that farm lease dated July 19, 1996, by and among Grantor, Beneficiary and The Nature Conservancy, covering the land described below in the subsequent pages of this Exhibit A.

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EXHIBIT A
(Exhibit A-2 of UCC-1)
AGRICULTURAL PROPERTY
Page 1 of 5



The "Agricultural Property" and the "NRCS Easement Premises" are located within:
Sections 19, 30, 31 of T35S, R7E, W.M.;
Sections 24, 25, 26, 27, 28, 33, 34, 35 and 36 of T35S, R71/2E, W.M.; and,
Sections 1, 2, 3, 4, 11 and 12 of T36S, R71/2E, W.M.

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EXHIBIT A
(Exhibit A-2 of UCC-1)
AGRICULTURAL PROPERTY
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EXHIBIT E
DESCRIPTION FOR EXCLUSION PARCEL 696A

A parcel of land situated in Sections 26, 27, 34 and 35, Township 35 South, Range 07 1/2 East of the Willamette Meridian, County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point on the mean high waterline of Agency Lake, from which the Northeast corner of Section 19 Township 35 South, Range 07 East of the Willamette Meridian bears North 54° 24' 22" East 13892.67 feet; thence from said point of beginning South 00° 04' 49" East 138.68 feet to a 5/8" pin; thence South 00° 04' 49" East 5132.33 feet to a 5/8" pin; thence North 89° 49' 12" West 6236.40 feet to a 5/8" pin; thence North 00° 01' 45" West 2730.27 feet to a 5/8" pin; thence continuing North 00° 01' 45" West 415.17 feet to the mean high waterline of Agency Lake; thence along the mean high waterline of said Agency Lake Northeasterly 6500 feet more or less to the point of beginning.

Containing 602 acres, more or less.

EXHIBIT A
(Exhibit A-2 of UCC-1)
AGRICULTURAL PROPERTY
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EXHIBIT F
DESCRIPTION FOR EXCLUSION PARCEL 498A

A parcel of land situated in Sections 19, 30 and 31, Township 35 South, Range 07 East, and Sections 24, 25 and 36, Township 35 South, Range 07 1/2 East of the Willamette Meridian, County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a point on the South line of said Section 30 and the mean high waterline on the West bank of the Williamson River, from which the Northeast corner of said Section 19 bears North 16° 21' 48" East 11074.65 feet more or less; thence from said point of beginning along the South line of said Section 30 and the North line of M92, page 27987, North 89° 53' 45" West 697.10 feet, more or less, to the Northwest corner of said M92, page 27987, thence North 89° 37' 01" West 1437.39 feet, more or less, to a 5/8" pin; thence South 00° 06' 41" West 94.15 feet to a 5/8" pin; thence North 29° 26' 40" West 1396.87 feet to a 5/8" pin; thence North 00° 27' 09" East 5389.79 feet to a 5/8" pin; thence South 89° 59' 51" East 4570.29 feet to a 5/8" pin; thence North 89° 16' 46" East 490.97 feet; thence North 24° 56' 14" West 4.96 feet to a 5/8" pin; thence North 85° 34' 54" East 334.54 feet to a 5/8" pin; thence South 89° 56' 30" East 477.35 feet, to a 5/8" pin; thence North 02° 27' 07" West 107.15 feet to a 5/8" pin and the Westerly right-of-way of Modoc Point Road; thence along the Westerly right-of-way of said Modoc Point Road, along the arc of a 602.96 feet radius curve to the left, chord bears South 48° 53' 47" East 168.75 feet, 169.31 feet to a 5/8" pin; thence South 56° 56' 26" East 103.95 feet more or less to the North line of Section 30 and the North line of Government Lot 2; thence along the North line of said Government Lot 2 North 89° 56' 39" West 747.90 feet more or less to the Northwest corner of said Government Lot 2; thence along the North line of Government Lot 3 North 89° 56' 39" West 250.00 feet; thence Southerly 250.00 feet from and parallel to the East line of said Lot 3, 660.00 feet more or less to the North line of Government Lot 8; thence along the North line of said Government Lot 8 Westerly 410.00 feet more or less to the Northeast corner of the West 660.00 feet of said Government Lot 8; thence along the East line of the West 660.00 feet of Government Lots 8, 13 and 18 Southerly 1980.00 feet more or less to the South line of said Government Lot 18; thence along the South line of said Government Lot 18 Easterly 283.8 feet more or less to the mean high waterline on the West bank of the Williamson River; thence along the said mean high waterline Southwesterly 3000 feet more or less to the point of beginning.

EXCEPTING THEREFROM that Parcel described in Exhibit H and that Parcel described in Exhibit C.

Containing 549 acres, more or less.

EXHIBIT A
(Exhibit A-2 of UCC-1)
AGRICULTURAL PROPERTY
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EXHIBIT C
DESCRIPTION FOR 15.57 ACRE PARCEL

A parcel of land situated in Section 30, Township 35 South, Range 7 East of the Willamette Meridian, County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at a 5/8" pin from which the section corner common to Sections 17, 18, 19 and 20, Township 35 South, Range 7 East of the Willamette Meridian bears North 19° 19' 25" East 6975.91 feet; thence South 89° 46' 55" West 318.72 feet to a 5/8" pin; thence South 00° 05' 55" West 2558.77 feet to a 5/8" pin; thence North 31° 37' 33" East 339.86 feet to a 5/8" pin; thence 339.14 feet along the arc of a 644.02 foot radius curve to the left, the long chord of which bears North 16° 32' 23" East 335.23 feet to a 5/8" pin; thence North 1° 27' 14" East 1949.85 feet to the point of beginning.

TOGETHER WITH those easements described in Exhibits G and H.

Containing 15.57 acres, more or less.

EXHIBIT A
(Exhibit A-2 of UCC-1)
AGRICULTURAL PROPERTY
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EXHIBIT H
DESCRIPTION FOR EASEMENT
FOR 15.57 ACRE PARCEL

An easement for ingress and egress and public utilities being more particularly described as follows:

Commencing at a 5/8" iron pin on the West right-of-way line of State Highway 427 from which the section corner common to Sections 17, 18, 19 and 20 bears North 8° 53' 01" East 5207.80 feet; thence South 2° 27' 07" East 107.15 feet to an iron pin; thence North 89° 56' 30" West 477.35 feet to an iron pin; thence South 85° 34' 54" West 334.55 feet to an iron pin; thence South 24° 56' 14" East 4.96 feet to the true point of beginning for this description; thence South 89° 16' 46" West 490.97 feet; thence 200.50 feet along the arc of a 130.00 foot radius curve to the left, the long chord of which bears South 45° 06' 06" West 181.21 feet; thence South 00° 54' 49" West 1166.38 feet; thence South 89° 46' 55" West 62.03 feet to an iron pin; thence South 1° 27' 14" West 1949.85 feet to an iron pin; thence 339.14 feet along the arc of a 644.02 foot radius curve to the right, the long chord of which bears South 16° 32' 23" West 335.23 feet to an iron pin; thence South 31° 37' 33" West 339.86 feet to an iron pin; thence South 0° 05' 55" West 233.31 feet; thence North 31° 37' 35" East 538.64 feet; thence 403.39 feet along the arc of a 766.02 foot radius curve to the left, the long chord of which bears North 16° 32' 23" East 398.74 feet; thence North 01° 27' 11" East 1952.67 feet; thence North 00° 54' 49" East 1166.13 feet; thence 107.96 feet along the arc of a 70.00 foot radius curve to the right, the long chord of which bears North 45° 06' 06" East 97.57 feet; thence North 89° 17' 22" East 510.82 feet; thence North 30 feet, more or less, to a point on the North line of Government Lot 3 of Section 30, Township 35 South, Range 7 East of the Willamette Meridian; thence North 34° 37' 48" West 36.26 feet to the point of beginning.

TOGETHER WITH that easement described in Exhibit G.

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EXHIBIT B

Personal Property Description

All right, title and interest of Grantor in and to the following:

(1) all barns, storage sheds, structures, irrigation equipment and pump stations located on the Real Property, all furnishings, fixtures (including trade fixtures), appliances, furniture, supplies, equipment, inventory, equipment used for the production of water on the Real Property or for the irrigation or drainage thereof, all surface and subsurface irrigation equipment, pipe, canals and ditches presently located on the Real Property and used in connection with the Real Property, including without limitation three wheel lines per 100 acres complete with mainline in good repair, together with the nonexclusive right to use for the delivery of water to the Real Property all subsurface irrigation equipment, pipe, canals and ditches owned or controlled by The Nature Conservancy on property adjacent to the Real Property;

(2) all other tangible and intangible personal property, including (without limitation) accounts (including accounts receivable and contract rights, whether or not earned by performance), chattel paper, instruments, documents, and general intangibles from and relating to any leases, tenancies, occupancy or uses of the property and any lease or other use agreement (if any should ever be considered personal property);

whether now or subsequently located on or used in connection with the Real Property, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such property, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such property.

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EXHIBIT C

Agricultural Subleases

1. Agricultural Lease dated February 1, 1992 between Tulana Farms as Landlord and Agency Lake Farms, Inc. as Tenant.
2. Letter from Tulana Farms dated December 7, 1994 to Agency Lake Farms extending the Agricultural Lease dated February 12, 1992 until the earlier of December 31, 1997 or completion of the 1997 harvest.
3. Agricultural Lease dated April 10, 1995 between Tulana Farms as Landlord and Cheyne Brothers as Tenant.
4. Agricultural Lease dated February 18, 1994 between Tulana Farms as Landlord and Tim Wolf as Tenant.
5. Letter from Tulana Farms dated December 14, 1995 to Tim Wolf extending the lease dated February 18, 1994 to reflect the 1996 growing season.
6. Letter from Tulana Farms to Tim Wolf dated January 17, 1996 amending the rent to be paid for first and second cut of alfalfa (the letter was not signed by Tim Wolf).
7. Agricultural Lease dated April 5, 1995 between Tulana Farms as Landlord and Ron Spears and Jim and Trudi Evans as Tenant.
8. Letter from Tulana Farms dated January 4, 1996 amending the Agricultural Lease dated April 5, 1995 between Tulana Farms and Ron Spears et al. amending the termination date to December 31, 1996 or the date on which the harvesting of the 1996 year crop is completed.
9. Agricultural Lease dated January 4, 1996 between Tulana Farms as Landlord and Duane Blackman dba Blackman Farms, Inc. as Tenant.

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EXHIBIT D

Permitted Encumbrances

1. Matters disclosed in the 8th Supplemental Preliminary Title Report for Standard Coverage Policy (No. 36564/KR) issued by AmeriTitle on June 12, 1996, except Nos. 32-34.
2. NRCS Conservation Easement.
3. Any mortgages, trust deeds or other security instruments or undivided interests granted by the Conservancy to PacifiCorp or New Earth under the Participation Agreement that affect the Real Property.
4. Any leases, easements, licenses, permits or similar interests in Tulana Farms incidental to, and for the purpose of accomplishing, the management of Tulana Farms by the Conservancy that affect the Real Property.
5. The Lease.
6. The agricultural subleases described in the foregoing Exhibit C.

State of Oregon, County of Klamath
Recorded 5/14/99, at 3:23 pm
at the referenced page, Vol. M99
Linda Smith, County Clerk
Fee \$ 60.60

Linda Smith