

After Recording Return to:

K. MARK NELSON, TRUSTEE

1601 Response Rd-Suite 195
Sacramento, CA. 95815

Vol M03 Page 37807

State of Oregon, County of Klamath

Recorded 06/04/2003 10:43 a m.

Vol M03 Pg 37807-08

Linda Smith, County Clerk

Fee \$ 26.00 # of Pgs 2

Until a change is requested all tax statements shall be sent to the address shown above.

BARGAIN AND SALE DEED

KNOW ALL MEN BY THESE PRESENTS, That JAMES H. CONNELLY and MARY HELEN CONNELLY, hereinafter called grantors, for the consideration hereinafter stated, does hereby grant, bargain, sell and convey unto K. MARK NELSON, TRUSTEE of THE K. MARK NELSON TRUST, 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 Legal Description marked Exhibit A attached hereto and by this reference made a part hereof as though fully set forth herein.

THE PURPOSE OF THIS DEED IS TO RELINQUISH ANY AND ALL INTEREST IN AND TO THE PROPERTY LEGALLY DESCRIBED ON EXHIBIT "A" BY VIRTUE OF THAT CERTAIN LIFE ESTATE CREATED BY INSTRUMENT DATED NOVEMBER 9, 1998 AND RECORDED NOVEMBER 13, 1997 IN BOOK M-98 AT PAGE 41549, KLAMATH COUNTY OFFICIAL RECORDS.

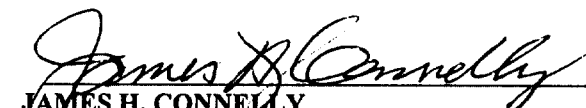
To Have and to Hold the same unto the said grantee and grantee's heirs, successors and assigns forever.

The true and actual consideration paid for this transfer, stated in terms of dollars, is to release any and all Life Estate interest, or interest of any kind of the Grantors named above.

(here comply with the requirements of ORS 93.930)

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.

In Witness Whereof, the grantor has executed this instrument May 12, 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.


JAMES H. CONNELLY


MARY HELEN CONNELLY

STATE OF OREGON, CALI FORNIA)
) ss.
County of San Luis Obispo)

The foregoing instrument was acknowledged before me this
20 day of May, 2003, by James H. Connelly and Mary
Helen Connelly..

(SEAL)

My commission expires: Feb. 25, 2007

BARGAIN AND SALE DEED
JAMES H. CONNELLY and MARY HELEN CONNELLY,
as grantor
and
K. MARK NELSON, TRUSTEE OF THE K. MARK
NELSON TRUST, as grantee

STATE OF OREGON, County of) ss.
The foregoing instrument was acknowledged before me this
, by , president, and by
secretary of a corporation, on behalf
of the corporation.

Notary Public for Oregon

My commission expires:

(SEAL)

(If executed by a corporation,
affix corporate seal)

This document is recorded at the request of:
Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601
Order No.: 00057082

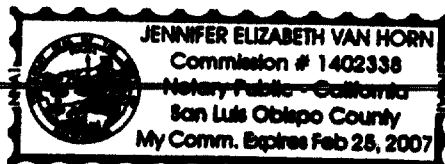


Exhibit A

The SE 1/4 SE 1/4 of Section 4, Township 39 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM the following: Beginning at a point on the North line of the said SE 1/4 SE 1/4 and the centerline of said existing road, from which the Southeast corner of said Section 4 is South 21° 43' 30" East 701.00 feet and South 38° 01' 20" East 807.44 feet; thence Westerly to the Northwest corner of said SE 1/4 SE 1/4; thence Southerly to the Southwest corner of said SE 1/4 SE 1/4; thence Easterly along the South line of said Section 4 to a point on the centerline of said existing road; said point being Westerly 11 feet, more or less, from the Southeast corner of said Section 4; thence Northwesterly along the centerline of said existing road to the point of beginning, with bearings based on Survey No. 1547 as recorded in the office of the Klamath County Surveyor.

ALSO INCLUDING the S 1/2 SW 1/4 of Section 3, The N 1/2 NW 1/4, N 1/2 SW 1/4 NW 1/4 and SE 1/4 NW 1/4 of Section 10, all in Township 39 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM that portion described as follows: The following tract of land located in the NW 1/4 of Section 10, Township 39 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at the Southwest corner of the N 1/2 SW 1/4 NW 1/4 Section 10; thence North along the West boundary line of said section, 730 feet to a point; thence East 730 feet; thence South 730 feet, more or less, to a point on the South line of the N 1/2 SW 1/4 NW 1/4; thence West to the point of beginning.

ALSO EXCEPTING THEREFROM that portion described as follows: A parcel of land situated in the SW 1/4 NE 1/4 and SE 1/4 NW 1/4 of Section 10, Township 39 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at the iron pin marking the center of Section 10, Township 39 South, Range 11 East of the Willamette Meridian, said pin being also the Northwest corner of East Bonanza Addition to the City of Bonanza, Klamath County Oregon; thence North along the West right of way of West Avenue 30.0 feet; thence East along the North right of way of Morine Avenue 137.9 feet; thence North 110.0 feet; thence West 217.95 feet to the centerline of a drain; thence South 11° 56' West along the centerline of said drain 143.1 feet to the East-West centerline of said Section 10; thence East along the said centerline of said Section 10, 109.64 feet to the point of beginning.

ALSO EXCEPT a tract of land situate in the SE 1/4 NW 1/4 of Section 10, Township 39 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the North-South center section line of said Section 10, from which the North quarter corner of said Section 10 bears North 00° 02' 06" West 1997.28 feet; thence South 19° 16' 22" West, along the drain ditch 530.67 feet to the Northwesterly corner of parcel described in Deed Volume 353 at Page 253, as recorded in the Klamath County Deed Records; thence South 89° 30' 16" East, along the North line of said parcel, 20.44 feet to a 1/2 inch iron pipe; thence continuing along said line 155.03 feet to the North-South center section line of said Section 10; thence North 00° 02' 06" West 443.91 feet to a 5/8 inch iron pin; thence continuing North 00° 02' 06" West 58.53 feet to the point of beginning.

TOGETHER WITH an easement for ingress and egress as recorded August 7, 1997 in Book M-97 at Page 25957.