



After Recording Return To:

Ticor Title
650 E. Pine Street, Suite 102A
Central Point OR 97502-2447

Send Tax Statements To:

Diamond Key Builders, LLC
P.O. Box 8060
Medford OR 97501

Escrow No. 03-66026

Tax Account No.

WARRANTY DEED

(ORS 93.850)

JK Squared, LLC, a Limited Liability Company, Grantor, conveys and warrants to Diamond Key Builders, LLC, a Limited Liability Company, Grantee, the following described real property:

See Exhibit 'A' attached hereto and by reference made a part hereof.

The said property is free from encumbrances except: COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, SET BACK LINES, POWERS OF SPECIAL DISTRICTS AND EASEMENTS OF RECORD, IF ANY.

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 consideration for this conveyance is \$1,196,000.00.

Dated this 23 day of August, 2005.

JK SQUARED, LLC

By: Jeffrey K. McCollum, Member/Manager

JK SQUARED, LLC

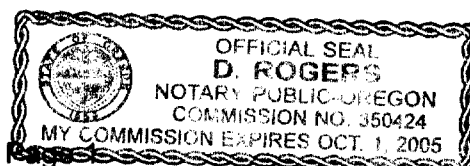
By: John K. Lawton, Member/Manager

State of OR, County of Jackson)ss.

This instrument was acknowledged before me on Aug 23, 2005
by Jeffrey K. McCollum, as Member/Manager, of JK Squared, LLC.

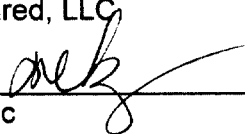
Notary Public

My commission expires: _____

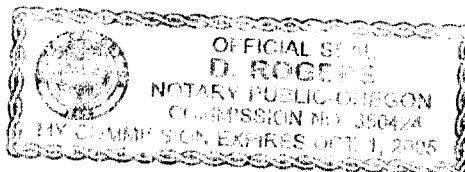


State of OR, County of Jackson)ss.

This instrument was acknowledged before me on Sept 12, 2005
by John K. Lawton, as Member/Manager
, of JK Squared, LLC


Notary Public

My commission expires: _____



Escrow No. 03-66026

EXHIBIT 'A'

Legal Description:

Lots 59 through 81, inclusive in Tract 1438, EIGHTH ADDITION TO NORTH HILLS – PHASE 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account No: 3809-036BC-00102-000

Key No: 886775