

BARGAIN AND SALE DEED

THOMAS H. FALVEY, Trustee of the Clover M. Falvey Revocable Living Trust Dated March 3, 1999, Grantor, conveys to FALVEY RANCH LLC, an Oregon Limited Liability Company, Grantee, the following described real property free of encumbrances except as specifically set forth herein:

That particular real property described on Exhibit A attached hereto and by this reference incorporated herein.

Subject to and excepting:

1. As disclosed by the assessment and tax roll, the premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land.

2. The subject property lies within the boundaries of the Klamath Basin Improvement District and is subject to the levies and assessments thereof.

3. The subject property lies within the boundaries of the Klamath Irrigation District and is subject to the levies and assessments thereof.

4. The rights of the public in and to that portion of the herein described property lying within the limits of roads and highways.

5. The requirements and provisions of ORS Chapter 820, pertaining to the registration and transfer of ownership of a manufactured home and any interest or liens disclosed thereby.

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.

THE PROPERTY DESCRIBED IN THIS INSTRUMENT MAY NOT BE WITHIN A FIRE PROTECTION DISTRICT PROTECTING STRUCTURES. THE PROPERTY IS SUBJECT TO LAND USE LAWS AND REGULATIONS, WHICH, IN FARM OR FOREST ZONES, MAY NOT AUTHORIZE CONSTRUCTION OR SITING OF A RESIDENCE. 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 EXISTENCE OF FIRE PROTECTION FOR STRUCTURES.

The true and actual consideration for this conveyance is: the adjustment of property rights.

Until a change is requested, all tax statements are to be sent to the following address:
Falvey Ranch LLC, P.O. Box 512, John Day, OR 97845.

Dated this 3 day of March, 2006.

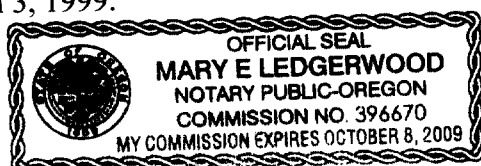
Thomas H. Falvey, Trustee
Thomas H. Falvey, Trustee of the Clover M. Falvey
Revocable Living Trust Dated March 3, 1999

RE AFTER RECORDING RETURN TO:

Daniel L. Cronin
235 S Canyon Blvd., John Day, OR 97845

STATE OF OREGON)
) ss.
County of Grant)

This instrument was acknowledged before me on the 3rd day of March, 2006, by Thomas H. Falvey, Trustee of the Clover M. Falvey Revocable Living Trust Dated March 3, 1999.



Mary E. Ledgerwood
Notary Public for Oregon
My Comm. Expires: 10-8-09

Exhibit A

Lots 6 and 7 and the S 1/2 of the NW 1/4 of Section 11, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

SAVE AND EXCEPT that portion deeded to the Southern Pacific Railroad.

AND The NE 1/4 of Section 10, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPT that portion heretofore deeded for rights-of-way.

ALSO EXCEPTING THEREFROM a tract of land situated in the NE 1/4 of Section 10, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the North one fourth corner of said Section 10, said point being monumented by a 1" x 30" iron pin at the intersection of the County roads as established in 1906 and described in Commissioners Journal IV, Pages 197 and 225, Klamath County Records; thence South 89° 18' 00" East along the centerline of the County road marking the North line of said Section 10 as described in said road records, a distance of 299.24 feet to a 5/8" x 30" iron pin; thence South 11° 06' 10" East a distance of 610.36 feet to a 5/8" x 30" iron pin; thence South 09° 36' 40" East a distance of 594.00 feet to a 5/8" x 30" iron pin in an existing fence line; thence South 22° 57' 50" East following said fence line a distance of 814.80 feet to a 5/8" x 30" iron pin; thence following said fence line South 44° 26' 40" East to the East-West centerline of said Section 10; thence Westerly along the East-West centerline of said Section 10 to the center one-fourth corner of said Section 10; thence Northerly along the North-South centerline of said Section 10 to the point of beginning.

SAVING AND EXCEPTING THEREFROM that portion conveyed to Klamath County for road purposes by deed recorded May 3, 1906, in Volume 20, Page 94, Deed Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM a tract of land situated in the NE 1/4 of Section 10, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin on the North line of said Section 10, said pin situated South 89° 18' 00" East 299.24 feet from the North one-quarter corner of said Section 10; thence South 11° 06' 10" East 610.36 feet; thence South 09° 36' 40" East 594.00 feet; thence South 22° 57' 50" East 814.80 feet; thence South 44° 26' 40" East 1055 feet, more or less, to the South line of the NE 1/4 of said Section 10; thence Easterly along said South line 137 feet, more or less, to the Westerly line of the Van Brimmer Ditch; thence Northwesterly along the said Westerly line 2990 feet, more or less, to the North line of said Section 10; thence North 89° 18' 00" West 250 feet, more or less, to the point of beginning, with bearings based on Survey No. 1215, as recorded in the office of the Klamath County Surveyor.

CODE 023 & 018 MAP 4110-011BO TL 01200 KEY #891131
CODE 018 & 023 MAP 4110-011BO TL 01200 KEY #101598
CODE 023 & 018 MAP 4110-011BO TL 01100 KEY #891130
CODE 018 & 023 MAP 4110-011BO TL 01100 KEY #101589
CODE 008 MAP 4110-01000 TL 00100 KEY #101552