

It is hereby disclosed in this statement that the real property in Klamath County, Oregon, described in the documents attached hereto is subject to the terms, assessments, liens, by-laws, rules, and regulations of the Klamath Hills District Improvement Company. Said company, an Oregon Corporation, was formed for the purpose, among others, of delivering water for irrigation of real property.

It is directed and intended that this document be recorded for the convenience of title companies, and others, in determining the status of titles of real property.

Dated this 13 day of FEBRUARY, 1997, by its Board of Directors:

KLAMATH HILLS DISTRICT IMPROVEMENT COMPANY

By: S. T. Waldrip

S. T. Waldrip, Director

By: Jack Liskey

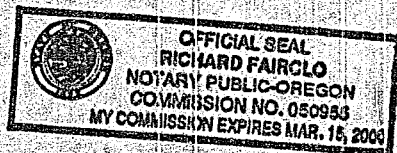
Jack Liskey, Director

By: Lee Sukraw

Lee Sukraw, Director

STATE OF OREGON)
) ss.
County of Klamath)

On this 13 day of Feb., 1997, personally appeared S. T. WALDRIP, JACK LISKEY, and LEE SUKRAW, who, being duly sworn, each for himself and not one for the other, did say that they are the Directors of KLAMATH HILLS DISTRICT IMPROVEMENT COMPANY, and that said instrument was signed and sealed in behalf of said district by the authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed. Before me:



[Signature]
Notary Public for Oregon
My Commission expires:

KLAMATH HILLS DISTRICT IMPROVEMENT CO.

Page 1.

NAME	TOWNSHIP & RANGE	SECTION	40 or LOT	IRRIG. ACRES	TOTAL
ANDRIEU, Leon & Minnie	T. 40 S., R 9 E	27	Lot 3	10.3	23.7
		28	Lot 2	2.0	55.2
			Lot 3	20.8	32.0
B. M, Abe. L. Florence L.	T. 40 S., R 9 E	28	Lot 2	4.64	*
CHEYNE, Lawrence D. Betty B.	T. 40S, R 9E	28	Lot 1	8.12	48.2
CHEYNE, Lawrence D., Jr. & Sandra A.	T. 40S., R 9E	28	Lot 1	8.10	*
DUPONT, Walton J. & Millie	T. 40 S., R 9E	27	SW $\frac{1}{4}$ NE $\frac{1}{4}$	15.0	40.1
			Lot 2	1.7	39.7
			NW $\frac{1}{4}$ SE $\frac{1}{4}$	40.5	40.5
			SW $\frac{1}{4}$ SW $\frac{1}{4}$	36.1	40.3
GRAY, Lawrence	T. 40S, R 9E	8	SE $\frac{1}{4}$ NW $\frac{1}{4}$	3.1	40.0
			NE $\frac{1}{4}$ SW $\frac{1}{4}$	26.7	40.0
			Lot 2	23.3	52.5
GRAY, Veda	T. 40S., R 9E	17	Lot 1	11.5	16.8
			Lot 2	11.4	36.4
HENZEL BROS.	T. 40S., R 8E	1	Lot 1	0.5	21.2
			Lot 2	7.56	31.9
			Lot 3	5.77	40.6
	T. 40S., R 9E	6	Lot 1	0.40	38.8
		7	Lot 1	8.25	8.8
LETTERMAN, Lawrence & Margaret	T. 40S., R 9E	27	Lot 1	17.68	22.2
			Lot 2	10.00	*
CHEYNE, Terry Lee & Mary E.	T. 40S., R 9E	28	Lot 1	9.58	*
LISKEY FARMS	T. 40S., R 9E	34	NE $\frac{1}{4}$ NE $\frac{1}{4}$	12.3	40.0
			Lot 1	58.4	58.4
			Lot 2	17.2	31.7
		35	SW $\frac{1}{4}$ NW $\frac{1}{4}$	0.6	40.0
			Lot 1	11.6	24.8
			Lot 2	16.3	43.2
LISKEY, Jack	T. 41S., R 9E	2	Lot 1	5.5	13.2
			Lot 2	9.2	35.6
LISKEY, Rocky	T. 41S, R 9 E	2	Lot 1	5.7	*
LONG, Murel & Barbara	T. 41S, R 9 E	1	Lot 2	0.92	36.2
		12	Lot 1	14.92	41.6
			Lot 2	41.10	52.4
	T. 41S, R 10E	7	SW $\frac{1}{4}$ NW $\frac{1}{4}$	6.89	41.0
			Lot 1	19.4	19.2
			Lot 2	35.18	56.7

KLAMATH HILLS DISTRICT IMPROVEMENT CO.

Page 2

NAME	TOWNSHIP & RANGE	SECTION	40 or LOT	IRRIG. ACRES	TOTAL
LONG, Murel, et ux (continued)		18	NW $\frac{1}{4}$ SE $\frac{1}{4}$ Lot 3 SE $\frac{1}{4}$ SE $\frac{1}{4}$ Lot 1	0.51 31.61 7.47 42.34	40.6 39.8 40.0 43.5
O'CONNOR LIVESTOCK CO.	T 40 S., R 9E	35	SE $\frac{1}{4}$ SE $\frac{1}{4}$	3.2	40.0
		36	SW $\frac{1}{4}$ SW $\frac{1}{4}$	3.0	40.0
	T. 41 S., R. 9 E	1	NW $\frac{1}{4}$ NE $\frac{1}{4}$	12.9	40.0
			SE $\frac{1}{4}$ NE $\frac{1}{4}$	27.1	40.0
			NE $\frac{1}{4}$ NW $\frac{1}{4}$	14.9	40.0
			NW $\frac{1}{4}$ NW $\frac{1}{4}$	13.7	40.0
			SW $\frac{1}{4}$ NW $\frac{1}{4}$	2.2	40.0
			SE $\frac{1}{4}$ NW $\frac{1}{4}$	35.4	40.0
			NE $\frac{1}{4}$ SW $\frac{1}{4}$	9.6	40.0
			NW $\frac{1}{4}$ SW $\frac{1}{4}$	12.4	40.0
			Lot 1	10.3	22.2
			Lot 2	22.4	*
			NW $\frac{1}{4}$ SE $\frac{1}{4}$	2.8	40.0
			SW $\frac{1}{4}$ SE $\frac{1}{4}$	21.8	40.0
	T 41 S., R 9E	2	NE $\frac{1}{4}$ NE $\frac{1}{4}$	25.8	40.0
			Lot 2	13.3	*
			Lot 3	17.4	40.3
			Lot 4	11.9	24.5
		12	Lot 1	2.3	*
OSBORN, Otis	T 40 S., R 9E	27	Lot 3	13.4	*
ROSS, Larry & Shirley (Contr. from Andrieu)	T 40 S., R 9E	28	Lot 2	10.65	*
SUKRAW, Lee (Contr. from Andrieu)	T 40 S., R 9E	28	Lot 1	17.8	*
			Lot 2	6.0	*
THORNTON, Daniel D & Juliet	T 40 S., R 9E	28	Lot 2	5.7	*
WALDRIP BROS.	T 40 S., R 9E	21	Lot 2	9.5	21.5
			Lot 3	1.5	6.0

*duplicated gross acreage
in the 40's or lots

EXHIBIT "A" - INCLUSION

O'Connor Livestock Co.

SW 1/4 SW 1/4	9.4 Acres
SE 1/4 SW 1/4	28.8 Acres
SW 1/4 SE 1/4	4.5 Acres

All in Section 26

NE 1/4 NW 1/4	40.0 Acres
NW 1/4 NW 1/4	18.85 Acres
SW 1/4 NW 1/4	0.5 Acres
SE 1/4 NW 1/4	4.8 Acres

All in Section 35

In Township 40 So., Range 9 E.W.M.

Total Acres:	106.85 Acres
Included Acres	106.85 Acres

Date Filed: 6-9-90

Exhibit "B" Exclusion

Lawrence Gray:

SE 1/4 NW 1/4	15.0 Acres
NE 1/4 SW 1/4	26.7 Acres
Lot 2	23.3 Acres

In Sec. 8, Township 40 So., R. 9 E.W.M.

Total Acres	53.1
Excluded Acres	53.1

Liskey Farms:

NE 1/4 NE 1/4	12.3 Acres
Lot 1	23.6 Acres
Lot 2	9.2 Acres

In Section 34, Township 40 So., R. 9 E.W.M.

Total Acres	45.1 Acres
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Date Filed: 6-9-90

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath Hills District Improvement Co. the 27th day
of February A.D., 19 97 at 2:40 o'clock P.M., and duly recorded in Vol. M97
of DEEDS on Page 5879

FEE \$ 30.00

Return: S.T. Waldrip
22022 Malone Rd.
Merrill, Or. 97633

Bernetha G. Leisch, County Clerk

by Kathleen Ross