

State of Oregon, County of Klamath
 Recorded 08/31/04 3:43 p m
 Vol M04 Pg 58304-307
 Linda Smith, County Clerk
 Fee \$ 36⁰⁰ # of Pgs 4

1st 380401
WARRANTY DEED

Hill Land Company, LLC, an Oregon limited liability company, hereinafter referred to as AGrantor@, conveys and warrants unto David D. Hill and Sandra A. Hill, husband and wife, hereinafter referred to as "Grantees", all that real property situated in Klamath County, State of Oregon and described as:

Parcel Three of Land Partition 29-04 situated in Section 26 of Township 40 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon. This sale includes all irrigation and grazing rights appurtenant to the subject property.

Grantor covenants that it is the owner of the above-described property free of all encumbrances except:

1. The assessment roll and the tax roll disclose that the within described premises were specially zoned or classified for Farm use. If the land has become or becomes disqualified for such use under the statute, an additional tax or penalty may be imposed.
2. Liens and assessments of Klamath Project and Klamath Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.
3. Liens and assessments of Klamath Project and Klamath Basin Improvement District Irrigation District, and regulations, contracts, easements, water and irrigation rights in connection therewith.
4. Acceptance of terms and conditions of Reclamation Act, including the terms and provisions thereof, recorded in Volume 43 on pages 36, 98 and 102, deed records of Klamath County, Oregon.
5. Agreement, including the terms and provisions thereof dated May 29, 1927, and recorded June 22, 1927, in Volume 75 on page 584, Deed records of Klamath County, Oregon, from United States of America to William F. Hill and Laura A. Hill. (Exceptions continued on next page)

The true and actual consideration for this transfer is \$3,950.00.

Mail Tax Statements to:

18343 Hill Road
 Klamath Falls OR 97603

Warranty Deed -1-

LAW OFFICES OF
 DAVIS, GILSTRAP, HEARN, SALADOFF & SMITH
 A Professional Corporation
 515 EAST MAIN STREET
 ASHLAND, OREGON 97520
 (541) 482-3111 FAX (541) 488-4455

36F

6. Easement, including terms and provisions contained therein recorded in M-65 on page 2372, records of Klamath County, Oregon, in favor of Pacific Power & Light Company for a power line. (Exceptions continued. on next page)

7. Easement, including terms and provisions contained therein recorded in M-65 on page 2378, records of Klamath County, Oregon, in favor of Pacific Power & Light Company for a power line.

8. Easement, including terms and provisions contained therein recorded in M-78 on page 9147, records of Klamath County, Oregon, in favor of Pacific Power & Light Company for a power line.

9. Easement, including terms and provisions contained therein recorded in M-79 on page 19094, records of Klamath County, Oregon, in favor of Pacific Power & Light Company for a power line.

10. Easement, including terms and provisions contained therein recorded in M-79 on page 24791, records of Klamath County, Oregon, in favor of Pacific Power & Light Company for a power line.

11. Easement, including terms and provisions contained therein recorded in M-86 on page 14583, records of Klamath County, Oregon, in favor of Michael L. Brant, et ux, Louis T. Hill, et ux, and Lawrence W. Clark, et ux for a reciprocal easement.

12. Easements, including terms and provisions contained therein, set forth in that certain Warranty Deed executed by the undersigned this date in favor of Drew Hill and recorded in the Records of Klamath County, Oregon, on 8-31, 2004, in Volume M-04, Page _____.

13. Right of First Refusal in favor of Drew Hill for so long as he shall own the adjoining Parcel 1 on said Partition Plat. This right shall be activated whenever the parcel being conveyed herein would otherwise be transferred to any person not related to the Hill family by blood. If the owner of the parcel being conveyed herein shall receive an offer the owner would otherwise accept, the owner must first deliver a copy of same to Drew Hill at P O Box 208 in Merrill, Oregon 97633, or his last-known address. To exercise this right, Drew Hill would have to deliver an executed offer to said owner identical in terms and accompanied by the same earnest money referred to in said original offer. Drew Hill would have to deliver same within 7 days of his receipt of said offer. If Drew Hill fails to strictly comply with this requirement, said right will be considered waived for all purposes and the owner of Parcel 3 shall be free to sell said property to the third party. If the right is exercised as provided herein, the parties shall close said sale as provided in Drew Hill's offer.

58306

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 the fee title to the property should check with the appropriate city or county planning department to verify approved uses.

This Deed is signed by the Members of the Grantor Limited Liability Company this 30 day of August 2004.

HILL LAND COMPANY, LLC.

David D. Hill
DAVID D. HILL

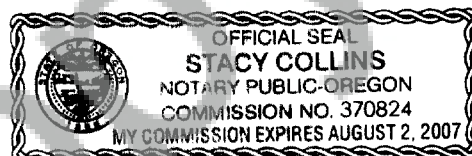
Dean F. Hill
DEAN F. HILL

Dale Hill
DALE HILL

William F. Hill
BILL HILL

Laura L. Brant by David D. Hill atty in fact.
LAURA BRANT

STATE OF OREGON)
COUNTY OF KLAMATH)



On the 30 day of August, 2004, personally appeared David D. Hill and acknowledged the foregoing instrument to be a voluntary act. Before me:

[Signature]
Notary Public for Oregon
My Commission Expires: 8/2/07

STATE OF OREGON)
COUNTY OF KLAMATH)



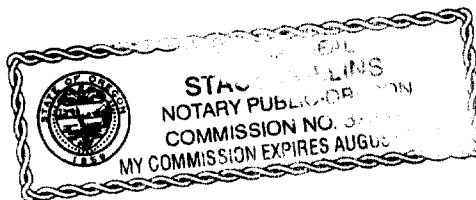
On the 30 day of Aug, 2004, personally appeared Dean F. Hill and acknowledged the foregoing instrument to be a voluntary act. Before me:

[Signature]
Notary Public for Oregon
My Commission Expires: 8/2/07


Warranty Deed -3-

58307

STATE OF OREGON)
)
COUNTY OF KLAMATH)




On the 30 day of Aug, 2004, personally appeared Dale Hill and acknowledged the foregoing instrument to be a voluntary act. Before me:



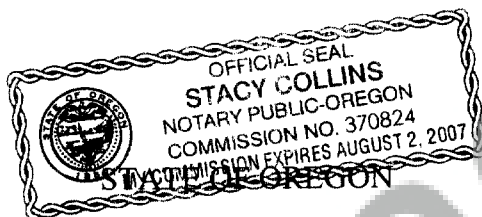
Notary Public for Oregon
My Commission Expires: 8/2/07

STATE OF OREGON)
)
COUNTY OF KLAMATH)

On the 30 day of Aug, 2004, personally appeared Bill Hill and acknowledged the foregoing instrument to be a voluntary act. Before me:

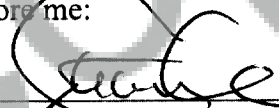


Notary Public for Oregon
My Commission Expires: 8/2/07

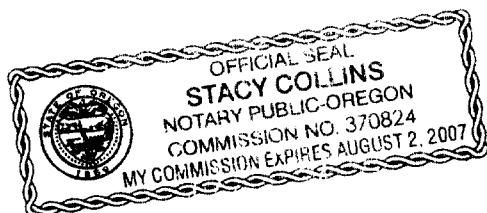


COUNTY OF KLAMATH)

On the 30 day of Aug, 2004, personally appeared Laura Brant and acknowledged the foregoing instrument to be a voluntary act. Before me:



Notary Public for Oregon
My Commission Expires: 8/2/07



Warranty Deed -4-

LAW OFFICES OF
DAVIS, GILSTRAP, HEARN, SALADOFF & SMITH
A Professional Corporation
515 EAST MAIN STREET
ASHLAND, OREGON 97520
(541) 482-3111 FAX (541) 488-4455