

— Space above for Recorder's use only—

1st-808134

WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS THAT, Silverbow Ranch, LLC, Grantor(s), for and in consideration of the sum of One Million and 00/100 Dollars to it paid by the grantee(s) herein, do hereby grant, bargain, sell and convey unto Silverbow Ranch II, LLC, an Oregon Limited Liability Company, Grantee(s), the following tract of land more particularly described as follows:

See Attached Legal Description as Exhibit 'A'

TO HAVE AND TO HOLD the granted premises unto the said Grantee(s), their heirs and assigns forever.

And the Grantor does covenant that it is lawfully seized in fee simple of the above granted premises free from all encumbrances **EXCEPT**,

1. Agreements, covenants, conditions, easements, reservations & restrictions of record, if any.

And that it will, its heirs, executors and administrators shall Warrant and forever defend the granted premises, against the lawful claims and demands of all persons, except as above stated.

WITNESS my Hand and Seal this 6TH day of July, 2006.

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.

Silverbow Ranch, LLC
By: Morgan Mackenzie, Inc. Member

Ron Cole, President

In witness whereof, the grantor has executed this instrument on July 6, 2006; if grantor is a corporation, it has caused its name to be signed and its seal, if any, affixed by an officer or other person duly authorized to do so by order of its board of directors.

STATE OF OREGON, County of Deschutes) ss.

This instrument was acknowledged before me on
by _____

This instrument was acknowledged before me on July 6, 2006 _____,
by Ron Cole _____
as President _____
of Morgan Mackenzie Inc, Member of Silverbow Ranch LLC _____

Until a change is requested all tax statements
Should be sent to the following address:

Silverbow Ranch II, LLC
250 NW Franklin Avenue #203
Bend, OR 97701

After Recording Please Return to:

Silverbow Ranch II, LLC
250 NW Franklin Avenue #203
Bend, OR 97701

[Signature]
Notary Public for the State of Oregon
My Commission Expires: 10-10-09
Escrow # 402433 _____

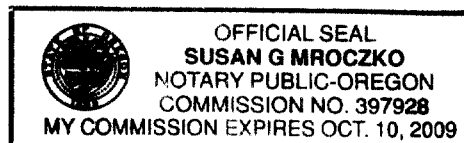


Exhibit "A"

Real property in the County of Klamath, State of Oregon, described as follows:

PARCEL 1:

A TRACT OF LAND SITUATED IN SECTION 21, TOWNSHIP 35 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NW CORNER OF LOT 4; THENCE SOUTH ALONG THE EAST LINE OF LOTS 5 AND 6 AND 16 TO THE NW CORNER OF LOT 5, BLOCK 2, WILLAMSON RIVER ESTATES; THENCE NORTHEASTERLY ALONG THE NORTH LINE OF SAID SUBDIVISION TO THE NE CORNER OF LOT 11, BLOCK 1; THENCE NORTHERLY AND EASTERLY ALONG THE WESTERLY RIGHT OF WAY LINE OF WILLIAMSON RIVER DRIVE TO THE WESTERLY RIGHT OF WAY LINE OF HIGHWAY NO. 97; THENCE NORTHWESTERLY ALONG SAID HIGHWAY RIGHT OF WAY LINE TO THE SE CORNER OF DEED VOLUME 336 PAGE 17, RECORDS OF KLAMATH COUNTY, OREGON; THENCE SOUTH 80°32'15" WEST TO THE SW CORNER OF SAID DEED; THENCE NORTHERLY ALONG THE WESTERLY LINE OF SAID DEED, 200 FEET TO THE NW CORNER THEREOF; THENCE NORTH 80°32'15" EAST TO THE WESTERLY RIGHT OF WAY LINE OF SAID HIGHWAY; THENCE NORTHERLY ALONG SAID WESTERLY RIGHT OF WAY LINE 60 FEET, MORE OR LESS, TO THE SE CORNER OF VOLUME M67 PAGE 318, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON; THENCE SOUTH 80°32'15" WEST 231 FEET TO THE SW CORNER OF SAID DEED; THENCE NORTH 09°27'45" WEST 607.11 FEET, MORE OR LESS, TO THE NORTH LINE OF SECTION 21; THENCE WEST ALONG SAID LINE TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM A TRACT OF LAND SITUATED IN SECTION 21, TOWNSHIP 35 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT OF WILLIAMSON RIVER ESTATES, A DULY RECORDED SUBDIVISION, SAID INITIAL POINT SITUATED SOUTH 19°17'35" EAST A DISTANCE 1037.36 FEET (SOUTH 18°49'22" EAST 1038.84 FEET BY SAID PLAT) FROM THE NORTH ONE-FOURTH CORNER (N¼ OF SAID SECTION 21; THENCE SOUTH 81°02'30" WEST 172.35 FEET (172.88 BY SAID PLAT); THENCE CONTINUING SOUTH 81°02'30" WEST 80.86 FEET; THENCE NORTH 09°27'45" WEST 365.94 FEET TO A ½ INCH IRON PIN WHICH IS NORTH 80°32'15" EAST 17.00 FEET FROM POINT A AS SHOWN ON ACCOMPANYING EXHIBIT A; THENCE NORTH 80°32'15" EAST 253.20 FEET TO THE WESTERLY RIGHT OF WAY LINE OF U. S. HIGHWAY 97; THENCE SOUTH 09°27'45" EAST, ALONG SAID RIGHT OF WAY LINE 368.17 FEET TO THE POINT OF BEGINNING, WITH BEARINGS BASED ON SAID RECORDED PLAT.

ALSO EXCEPTING THEREFROM A TRACT OF LAND SITUATED IN GOVERNMENT LOTS 7 AND 15 OF SECTION 21, TOWNSHIP 35 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF WILLIAMSON RIVER ESTATES, A DULY RECORDED SUBDIVISION, SAID POINT BEING ON THE WESTERLY LINE OF SAID LOT 15; THENCE ALONG THE NORTHERLY LINE OF SAID SUBDIVISION, NORTH 89°34'45" EAST 329.42 FEET AND NORTH 74°05'45" EAST 578.78 FEET TO A FENCE CORNER; THENCE ALONG THE FENCE LINES TO BE THE PROPERTY LINES THE FOLLOWING COURSES; NORTH 08°53'25" WEST 567.07 FEET, NORTH 85°27'50" WEST 143.46 FEET, NORTH 77°32'10" WEST 293.55 FEET, NORTH 55°21'40" WEST 218.14 FEET, SOUTH 71°16'20" WEST 100.40 FEET AND SOUTH 67°57'45" WEST 104 FEET, MORE OR LESS, TO THE WESTERLY LINE OF SAID LOT 7; THENCE, SOUTHERLY ALONG THE WESTERLY LINES OF SAID GOVERNMENT LOTS 7 AND 15, 849 FEET, MORE OR LESS TO THE POINT OF BEGINNING, WITH BEARINGS BASED ON SAID WILLIAMSON RIVER ESTATES.

AND ALSO EXCEPT THAT PORTION CONVEYED TO THE STATE OF OREGON BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, HIGHWAY DIVISION BY DEED RECORDED JULY 13, 1988 IN VOLUME M88 AT PAGE 11038.

PARCEL 2:

A PARCEL OF LAND SITUATED IN SECTION 21, TOWNSHIP 35 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, IN THE COUNTY OF KLAMATH COUNTY, STATE OF OREGON, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 5, BLOCK 3, WILLIAMSON RIVER ESTATES; THENCE SOUTHWESTERLY ALONG THE SOUTHERLY BOUNDARY OF SAID SUBDIVISION TO THE SOUTHWEST CORNER OF LOT 6, BLOCK 2; THENCE SOUTH ALONG THE EASTERLY LINE OF LOT 17 TO THE NORTHERLY LINE OF THE WILLIAMSON RIVER; THENCE NORTHERLY ALONG SAID LINE TO A POINT THAT WOULD INTERSECT THE EASTERLY LINE OF SAID LOT 5 IF EXTENDED SOUTHERLY; THENCE NORTHERLY ALONG SAID LINE TO THE POINT OF BEGINNING.

PARCEL 3:

THAT CERTAIN ONE FOOT STREET PLUG ALONG THE NORTH BOUNDARY OF CRAWFORD WAY OF WILLIAMSON RIVER ESTATES, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

PARCEL 4:

PARCELS 1, 2 AND 3 OF LAND PARTITION 2-92 SITUATED IN GOVERNMENT LOTS 7, 15, 16 AND 17 OF SECTION 21, AND GOVERNMENT LOTS 43 AND 46 OF SECTION 20, TOWNSHIP 35 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, ON FILE IN THE OFFICE OF THE KLAMATH COUNTY CLERK.

Tax Parcel Number: R248333 and R248743 and R594271 and R246941 and R861259 and R875560 and R248379