

2006-020875

Klamath County, Oregon



00006516200600208750050056

After Recording Return to:
Andrew D. Hahs
Bittner & Hahs, P.C.
4949 SW Meadows Road, Suite 260
Lake Oswego, Oregon 97035-3157

For Rec 10/17/2006 03:50:28 PM

Fee: \$41.00

Until a change is requested, all tax statements shall be sent to the following address:
Kerry S. Gilbert and Ted K. Gilbert
1822 SW Madison St.
Portland, Oregon 97205

The true and actual consideration paid for this transaction is: \$2,850,001, some of which has been paid by a Qualified Intermediary as part of an IRC §1031 deferred exchange

MTCT 10200 KR

WARRANTY DEED

Gallica One/KF-38, LLC, Grantor, conveys and warrants to Kerry S. Gilbert as to an undivided 50% interest and Ted K. Gilbert as to an undivided 50% interest, as tenants in common, Grantee, all right title and interest in and to the following described real property free of all encumbrances except as specifically set forth herein, situated in Klamath County, Oregon, to-wit:

See Exhibit A.

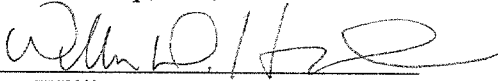
The property is free from all encumbrances except as identified on Exhibit B.


BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 197.352. THIS INSTRUMENT DOES 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, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 197.352.

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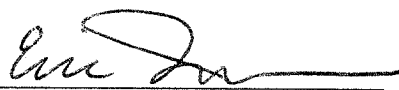
DATED: 12th day of October, 2006.

Gallica One/KF-38, LLC
By: S&H Group, Inc., member

By: 
Name: William D. Huyette
Title: President

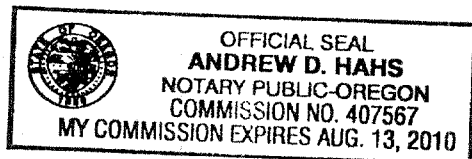
By: 
Name: David W. Sturdevant
Title: Vice President

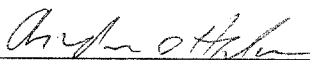
By: AVM Development, LLC, member

By: 
Name: Eric Isaacson
Title: Member/Manager

STATE OF OREGON)
) ss.
COUNTY OF Multnomah)

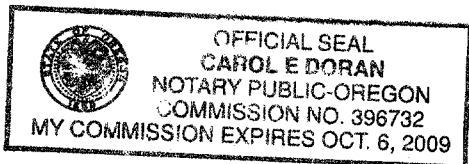
Personally appeared before me on the 12th day of October, 2006, the above-named William D. Huyette who did say he was president of S&H Group, Inc., a member of Gallica One/KF-38, LLC, and that this instrument was signed in behalf of said limited liability company by authority of its operating agreement; and acknowledged that he executed the foregoing as its voluntary act and deed.




NOTARY PUBLIC for Oregon,
My Commission expires: 8/13/2010.

STATE OF OREGON)
COUNTY OF Deschutes) ss.

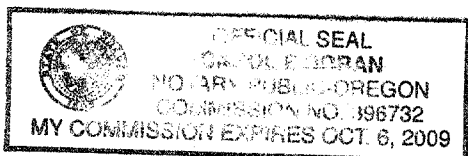
Personally appeared before me on the 16 day of October, 2006, the above-named David W. Sturdevant who did say he was vice-president of S&H Group, Inc., a member of Gallica One-KF-38, LLC, and that this instrument was signed in behalf of said limited liability company by authority of its operating agreement; and acknowledged that he executed the foregoing as its voluntary act and deed.



Carol E. Doran
NOTARY PUBLIC for Oregon,
My Commission expires: 10-6-2009

STATE OF OREGON)
COUNTY OF Deschutes) ss.

Personally appeared before me on the 16 day of October, 2006, the above-named Eric Issacson who did say he was a member of AVM Development, LLC, member of Gallica One/KF-38, LLC, and that this instrument was signed in behalf of said limited liability company by authority of its operating agreement; and acknowledged that he executed the foregoing as its voluntary act and deed.



Carol E. Doran
NOTARY PUBLIC for Oregon,
My Commission expires: 10-6-2009

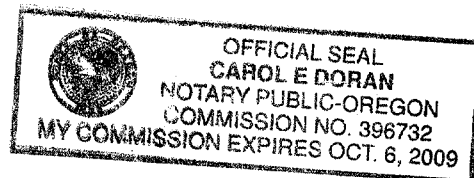


EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

The W1/2 N1/2 SW1/4 NW1/4 of Section 17, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; EXCEPTING THEREFROM that portion lying within Uhrmann Road right of way.

Tax Account No: 3809-01700-00600-000

Key No: 430661

PARCEL 2

The E1/2 of the N1/2 of the SW1/4 of the NW1/4 of Section 17, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; EXCEPTING THEREFROM that portion lying within Uhrmann Road right of way.

Tax Account No: 3809-01700-00700-000

Key No: 430670

PARCEL 3

The S1/2 of the SW1/4 of the NW1/4 of Section 17, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; EXCEPTING THEREFROM that portion lying within Uhrmann Road right of way.

Tax Account No: 3809-01700-00800-000

Key No: 430689

EXHIBIT "B"
ENCUMBRANCES

The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Grazing Fire Patrol.

The premises herein described are within and subject to the statutory powers, including the power of assessment, of Northside Drainage District.

Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.

Reservations of all oil, gas and other minerals as set forth in Warranty Deed from Bow Valley Coal Resources, Inc., dated December 10, 1984 and recorded January 15, 1985 in Volume M85, page 827, Microfilm Records of Klamath County, Oregon.
(Affects Parcel 3)

Mineral Deed, subject to the terms and provisions thereof, recorded February 1, 1985 in Volume M85, page 1757, Microfilm Records of Klamath County, Oregon, from Bow Valley Coal Resources, Inc. to Bow Valley Petroleum, Inc.
(Affects Parcel 3)

Lease of Fee Minerals, subject to the terms and provisions thereof,

Dated: July 1, 1979
Recorded: July 8, 1985
Volume: M85, page 10483, Microfilm Records of Klamath County, Oregon
Lessor: Bow Valley Petroleum, Inc.
Lessee: Mega Petroleum Inc., a 1/2 interest
(Affects Parcel 3)

A Special Ordinance Annexing 40 acres of land into the City of Klamath Falls, subject to the terms and provisions thereof;

Recorded: October 11, 2005
Volume: M05, page 66235, Microfilm Records of Klamath County, Oregon

Final Order vacating a portion of Uhrmann road, subject to the terms and provisions thereof;

Recorded: April 6, 2006
Volume: M06, page 06641, Microfilm Records of Klamath County, Oregon