

After recording return to:
 Gray, Fancher, Holmes, et al.
 40 N.W. Greenwood
 P.O. Box 1151
 Bend, Oregon 97709
 Attn: Neil R. Bryant

K- 43555
 STATUTORY WARRANTY DEED
 (Ernst Brothers Corporation)

GILCHRIST TIMBER COMPANY, a Delaware corporation, Grantor, conveys and warrants to ERNST BROTHERS CORPORATION, an Oregon corporation, Grantee, the real property legally described on the attached Exhibit A, located in Klamath County, State of Oregon, free from all encumbrances except real property taxes and assessments for the year in which closing occurs and the easements, rights of way, conditions, and restrictions set forth on the attached Exhibit B.

The true and actual consideration for this conveyance is Five Hundred Thousand and no/100 Dollars (\$500,000.00).

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING AND 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.

DATED this 2 day of October, 1991.

GILCHRIST TIMBER COMPANY, a
 Delaware corporation

By Charles F. Shotts
 Charles F. Shotts, President

STATE OF OREGON)
) ss.
 County of Multnomah)

The foregoing instrument was acknowledged before me on this 2nd day of October, 1991, by Charles F. Shotts, who is the President of Gilchrist Timber Company, a Delaware corporation, on behalf of the corporation.

Carol Y. Gibson
 Notary Public for Oregon
 My Commission Expires: 6-7-92

Until a change is requested, tax statements should be sent to:
 Ernst Brothers Corporation, P.O. Box 637, Gilchrist, Oregon 97737

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EXHIBIT A

Ernst Properties

The following described real property situated in Klamath County, Oregon:

Tract 1: Parcel 1 of Minor Partition Plat No. 52-91, records of Klamath County, Oregon;

Tract 2: Parcel 1 of Major Partition Plat No. 53-91, records of Klamath County, Oregon;

Tract 3: A tract of land, reserved and excepted to Gilchrist Timber Company, by the deed to Klamath County School District recorded in Klamath County Deed Records, Vol. M76, page 11148, as more particularly described therein, including a well, well house and a tract 25 feet in diameter surrounding the well house.

EXHIBIT B

Klamath County, Oregon
Permitted Exceptions

1. Taxes for 1991-92 are now a lien but not yet payable.
2. The assessment roll and the tax roll disclose that the within described premises were specially assessed as Forest Land. Taxes for the year 1991-92 and possibly prior years have been deferred pursuant to ORS 321.805 to 321.810. These, plus earned interest are due and payable when said reason for the deferment no longer exists.
3. Rights of the public in and to any portion of the herein described property lying within the boundaries of public roads or highways.
4. Right of Way, including the terms and provisions thereof, for pole line, conveyed by N. E. Wienard et ux, to The Pacific Telephone and Telegraph Company, dated September 11, 1928, recorded January 29, 1929, in Volume 85 page 216, Deed Records of Klamath County, Oregon. (SE¼SE¼ Sec 19 Twp 24 SR 9)
5. Agreement, by and between Gilchrist Timber Company and The Shevlin-Hixon Company, dated August 12, 1943, recorded October 25, 1943, in Volume 159 page 300, Deed Records of Klamath County, Oregon.
Modification recorded February 29, 1952, in Volume 253 page 222, Deed Records of Klamath County, Oregon.
6. Access Restrictions as disclosed in Deed from Gilchrist Timber Co. to State of Oregon, dated February 15, 1952, recorded March 20, 1952, in Volume 253 page 523, Deed Records of Klamath County, Oregon. (Twp 24 SR 8, Twp 23 SR 9 & Twp 24 SR 9)

7. Access Restrictions as disclosed in Deed from Gilchrist Timber Co. to State of Oregon, dated February 15, 1952, recorded March 20, 1952, in Volume 253 page 525, Deed Records of Klamath County, Oregon. (Twp 24 SR 8, Twp 23 SR 9 & Twp 24 SR 9)

8. Beam Path Easement, including the terms and provisions thereof, given by Gilchrist Timber Company to United States of America, dated January 23, 1958, recorded March 25, 1958, in Volume 298 page 271, Deed Records of Klamath County, Oregon. (Twp 24 SR 9)

9. Easement, including the terms and provisions thereof, given by Gilchrist Timber Co., to Cascade Natural Gas Company, dated August 22, 1962, recorded September 13, 1962, in Volume 340 page 224, Deed Records of Klamath County, Oregon. (Twp 24 SR 9)

10. Indenture of Access, including the terms and provisions thereof, by and between State of Oregon, by and through its State Highway Commission, and Gilchrist Timber Company, dated March 5, 1968, recorded April 2, 1968, in Volume M68 page 2582, Deed Records of Klamath County, Oregon.

11. Indenture of Access, including the terms and provisions thereof, by and between Gilchrist Timber Company, and State of Oregon, by and through its Department of Transportation, Highway Division, dated March 13, 1974, recorded April 14, 1975, in Volume M75 page 3979, Deed Records of Klamath County, Oregon.

12. Easement, including the terms and provisions thereof, by and between Gilchrist Timber Company and State of Oregon, by and through its Department of Transportation, Highway Division, dated September 20, 1979, recorded November 8, 1979, in Volume M79 page 26327, Deed Records of Klamath County, Oregon. (Sec 19 Twp 24 SR 9)

13. Easement, including the terms and provisions thereof, given by Gilchrist Timber Company, an Oregon corporation, to Cascade Natural Gas Corporation, a Washington corporation, dated May 20, 1988, recorded June 17, 1988, in Volume M88 page 9373, Deed Records of Klamath County, Oregon. (Twp 24 SR 9)

14. Easement, including the terms and provisions thereof, given by Gilchrist Timber Company, to Midstate Electric Cooperative Inc., dated February 20, 1989, recorded June 29, 1989, in Volume M89 page 11690, Deed Records of Klamath County, Oregon. (Sec 19 Twp 24 SR 9)

15. Agreement, including the terms and provisions thereof, by and between Gilchrist Timber Company, a Delaware corporation, and Country Cablevision, Ltd., an Oregon corporation, dated March 4, 1988, recorded September 17, 1991, in Volume M91 page 18726, Deed Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 4th day of Oct. A.D., 19 91 at 2:47 o'clock P. M. and duly recorded in Vol. M91 of Deeds on Page 20328.

FEE \$43.00

Evelyn Biehn - County Clerk

By Quinn M. Anderson