

RETURN TO: James R. Uerling 1108 N. 6th Klamath Falls, OR 97601	TAX STATEMENTS TO: Diversified Fiber Corporation, Inc. P.O. BOX 5171 KLAMATH FALLS, OR 97601	CLERK'S STAMP:
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-BARGAIN AND SALE DEED-

South Valley State Bank, an Oregon Banking Corporation, Grantor, conveys to Diversified Fiber Corporation, Inc., an Oregon Corporation, Grantee, the following described real property situated in the County of Klamath, State of Oregon, to-wit:

See attached Exhibit "A".

The true and actual consideration for this transfer is \$75,000.00.

This instrument will not allow use of the property described in this instrument in violation of applicable land-use laws and regulations. Before signing 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 use.

This transfer is subject to certain redemption rights as provided by law from a sheriff's sale of this property held January 18, 1994. Upon the event that any party shall redeem this property from the sheriff's sale, the Grantor and Grantee agree the Grantee shall receive the benefit of the redemption and Grantor shall have no right to any of the funds resulting from the redemption.

Release

Buyer hereby waives, releases and discharges forever Seller from all present and future claims, demands, suits, legal and administrative proceedings and from all liability for damages, losses, costs, liabilities, fees and expenses, present and future, known and unknown, arising out of or in any way connected with Seller's use, maintenance, ownership or operation of the property, any condition of environmental contamination on the property, and/or the existence of Hazardous Substances in any state on the property, however they came to be placed there. This release is not intended as a release for any liability other than environmental liability.

DATED this 24th day of March, 1994.

South Valley State Bank


by: Allan Craigmiles
President

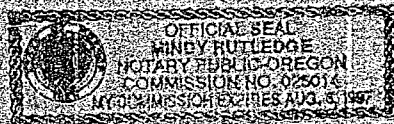
STATE OF OREGON

County of Klamath

} ss. 24th March, 1994.

Personally appeared Allan Craigmiles, who, being duly sworn, stated he is President of South Valley State Bank, an Oregon Banking Corporation, and that said instrument was signed on behalf

of said corporation by authority of it's Board of Directors; and he acknowledged said instrument to be it's voluntary act and deed. Before me:



Mindy Rutledge
Notary Public for Oregon
My Commission expires: 8-6-97

DATED this 28th day of March, 1994.

DIVERSIFIED FIBER CORPORATION, INC.

By: [Signature]
Its: V. Pres

STATE OF OREGON)
) ss. 28th March, 1994
County of Klamath)

Personally appeared Donald Ragan who, being duly sworn, stated he is the Vice President of Diversified Fiber Corporation, Inc. and that said instrument was signed on behalf of said corporation by authority of it's Board of Directors; and he acknowledged said instrument to be it's voluntary act and deed. Before me:



Debra Buckingham
Notary Public for Oregon
My Commission expires: 12-19-96

STATE OF OREGON)
) ss.
County of Klamath)

I certify that the within instrument was received for record on the day of , 19 , at o'clock m., and recorded in book/volume No. on page or as instrument No. , Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Name Title
By
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EXHIBIT "A"
LEGAL DESCRIPTION

A tract of land situated in the SE1/4 NE1/4 of Section 33, Township 38 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, being more particularly described as follows:

Beginning at a point on the East line of said SE1/4 NE1/4 from which point the Northeast corner of said SE1/4 NE1/4 bears North 00 degrees 02' 28" East 300.00 feet; thence South 00 degrees 02' 28" West, on said East line, 173.96 feet; thence South 71 degrees 11' 50" West, 582.82 feet; thence South 80 degrees 57' 06" West 776.32 feet to a point on the West line of said SE1/4 NE1/4; thence North 00 degrees 13' 13" East on said West line, 137.61 feet to the Easterly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Northeasterly along said Easterly line to a point on the North line of said SE1/4 NE1/4; thence North 89 degrees 29' 53" East on said North line, 591.88 feet to the Northwest corner of a tract of land described in Deed Volume 473, page 3585, Klamath County Microfilm Records; thence South 80 degrees 02' 28" West on the West line of the last mentioned tract of land, 300.00 feet to the Southwest corner thereof; thence North 89 degrees 29' 53" East on the South line of the last mentioned tract of land, 300.00 feet to the point of beginning of this description.

TOGETHER WITH a tract of land situated in the SE1/4 NE1/4 of Section 33, Township 38 South, Range 11 1/2 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the Northwest corner of said SE1/4 NE1/4; thence North 89 degrees 29' 53" East along the North line of said SE1/4 NE1/4; 316.66 feet to the Westerly line of a tract of land described in Deed Volume 47 at page 593, Klamath County Deed Records; thence Southwesterly along said Westerly line to the West line of said SE1/4 NE1/4; thence North 00 degrees 13' 13" East along the West line of said SE1/4 NE1/4, 508.39 feet to the point of beginning.

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 31st day of March A.D., 19 54 at 10:40 o'clock A.M., and duly recorded in Vol. 494 of Deeds on Page 9473.

FEE \$40.00

Evelyn Bishop, County Clerk

By Madeline C. Nelson

EXHIBIT "A"