

1999 OCT -4 AM 11: 42

mtc 49319

**AFTER RECORDING, RETURN TO:**

Perkins Coie LLP  
1201 Third Avenue, 40th Floor  
Seattle, Washington 98101-3099  
Attention: James R. Johnston

**SEND TAX STATEMENTS TO:**

U.S. Timberlands Yakima L.L.C.  
c/o U.S. Timberlands Services Company, L.L.C.  
625 Madison Avenue, Suite 10-B  
New York, NY 10022

**WARRANTY DEED**

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company, GRANTOR, conveys and warrants to U.S. TIMBERLANDS YAKIMA L.L.C., a Delaware limited liability company, GRANTEE, the real property in Klamath County, Oregon, described in EXHIBIT A attached hereto, free of encumbrances except as specifically set forth on EXHIBIT B attached hereto.

The true and actual cash consideration for this transfer is: NONE. Other property or value was the whole consideration.

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.

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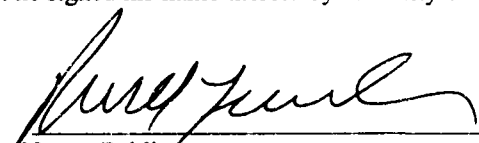
Dated this 29 day of September, 1999.

U.S. TIMBERLANDS KLAMATH FALLS,  
L.L.C.

By John M. Rudey  
John M. Rudey  
President

STATE OF NEW YORK    )  
                                  ) ss  
COUNTY OF NEW YORK )

On the 29 day of SEPTEMBER, 1999, before me personally came John M. Rudey, to me known, who, being by me duly sworn, did depose and say that he resides at 625 Madison Avenue, Suite 10-B, New York, New York 10017; that he is the President of U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., the limited liability company described in and which executed the foregoing instrument; that he signed his name thereto by authority of the manager of the limited liability company.

  
Notary Public

RICHARD E. FRIEDMAN  
NOTARY PUBLIC, State of New York  
No. 31-6415630  
Qualified in New York County  
Term Expires July 31, 2000  
(SEAL)

**EXHIBIT 'A'**  
**LEGAL DESCRIPTION**

**PARCEL 1**

Section 1 - Government Lots 1 and 2, S1/2 NE1/4, SE1/4, NE1/4 SW1/4  
 Section 12 - E1/2  
 Section 13 - E1/2, SE1/4 SW1/4  
 Section 24 - NE1/4

All being in Township 28 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 2**

Section 1 - W1/2 SW1/4, SE1/4 SW1/4  
 Section 2 - Government Lot 3, S1/2 N1/2, S1/2  
 Section 3 - Government Lots 2 and 4, S1/2 N1/2, S1/2  
 Section 4 - Government Lot 1, SE1/4 NE1/4, SE1/4, S1/2 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4  
 Section 5 - NE1/4 SE1/4  
 Section 9 - E1/2, N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4  
 Section 10 - All  
 Section 11 - N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4  
 Section 12 - NW1/4, NW1/4 NE1/4  
 Section 13 - SW1/4 SE1/4, SW1/4, SW1/4 NW1/4  
 Section 14 - S1/2, NW1/4  
 Section 15 - All  
 Section 16 - All  
 Section 21 - NE1/4 NE1/4  
 Section 22 - N1/2, SE1/4, NE1/4 SW1/4  
 Section 23 - All  
 Section 24 - W1/2, SE1/4  
 Section 25 - NW1/4, N1/2 SW1/4, SW1/4 SW1/4  
 Section 26 - N1/2, N1/2 SE1/4, SW1/4 SE1/4, SW1/4  
 Section 27 - NE1/4 NE1/4, S1/2 N1/2, N1/2 S1/2, S1/2 SE1/4, SE1/4 SW1/4  
 Section 28 - NE1/4 NE1/4  
 Section 34 - N1/2 NE1/4  
 Section 35 - N1/2, N1/2 SW1/4, SE1/4 SW1/4, SE1/4  
 Section 36 - All

All being in Township 27 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

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**EXHIBIT 'A'**  
**LEGAL DESCRIPTION - CONTINUED**

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**PARCEL 3**

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2  
Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2  
Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2  
Section 5 - S1/2 NE1/4  
Section 6 - Government Lots 4, 5, 6 and 7, SE1/4 NW1/4, SE1/4 SE1/4, W1/2 SE1/4,  
E1/2 SW1/4  
Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2  
Section 8 - W1/2 W1/2, E1/2 SW1/4  
Section 10 - E1/2 E1/2, NW1/4 NE1/4  
Section 11 - All  
Section 12 - All  
Section 13 - All  
Section 14 - All  
Section 17 - W1/2, SE1/4  
Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2  
Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2  
Section 20 - W1/2 W1/2, N1/2 NE1/4  
Section 23 - N1/2 NE1/4  
Section 24 - NW1/4 NW1/4, E1/2 NW1/4, NE1/4  
Section 28 - SE1/4 SW1/4  
Section 29 - SW1/4 SE1/4, S1/2 NW1/4, NW1/4 NW1/4  
Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2  
Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2  
Section 32 - All  
Section 33 - All  
Section 34 - NE1/4, SE1/4 NW1/4, N1/2 SW1/4, SE1/4 SW1/4, SE1/4  
Section 35 - SE1/4 SE1/4  
Section 36 - All

All being in Township 28 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 4**

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2  
Section 2 - Government Lots 1 and 2, S1/2 NE1/4, SE1/4 NW1/4, S1/2  
Section 3 - Government Lots 1 and 2, SE1/4 NE1/4, E1/2 SE1/4, SW1/4 SE1/4, SW1/4  
Section 4 - Government Lots 2, 3 and 4, SW1/4 NE1/4, S1/2 SE1/4, SW1/4, S1/2 NW1/4  
Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2  
Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, S1/2 NE1/4, SE1/4, E1/2 SW1/4,  
SE1/4 NW1/4

All being in Township 29 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

**PARCEL 5**

Government Lots 1 and 2, S1/2 NE1/4, in Section 1, Township 29 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER WITH an easement for all forest management purposes over, along and across that certain private road running E-W in N 1/2 Gov Lot 4, Section 1, Township 37 South, Range 14 East, WM, as the same exists on the date of this deed.

## EXHIBIT B

## SUBJECT TO:

- (1) Reservation by Weyerhaeuser Company, its successors and assigns, of all geothermal steam and heat and all metals, ores and minerals of any nature whatsoever in or upon said land, together with all appurtenances thereto, as set forth in that certain deed, including terms and provisions thereof, from Weyerhaeuser Company, a Washington corporation, to U.S. Timberlands Klamath Falls, L.L.C., a Delaware limited liability company, recorded August 30, 1996, in Book 234 at Page 551, Lake County Deed Records;
- (2) All easements and rights of way for public roads and utilities heretofore established and existing on said lands or any similar rights established by prescription or adverse possession;
- (3) Rights reserved in federal patents or state deeds and mineral or fossil rights reservations;
- (4) Ancestral rights, if any, of descendants of aboriginal inhabitants to occupy, use and possess any portion of the premises, as reserved by treaties, understandings, practice statutes or judicial decisions, for food gathering, shelter, religious ceremonies, social and economic gatherings, battlefields and burial sites;
- (5) Compensating tax, if any, upon removal of the designation of certain of subject property carried on county assessor's rolls for tax purposes as "Classified and/or Designated Forest Land";
- (6) All building or use restrictions general to the area and planning, building, zoning, health and other governmental regulations or provisions, if any, affecting subject property;
- (7) Any change in the boundary or legal description of the real property, or title to the estate conveyed, that may arise due to the shifting and changing in the course of navigable waters of Oregon or the United States;
- (8) Right of the State of Oregon in and to that portion, if any, of subject property which lies below the line of ordinary high water of the navigable waters of Oregon or the United States;
- (9) Any prohibition or limitation of use, occupancy or improvement of the land resulting from the rights of the public or riparian owners to use any portion which is now, or has formerly been covered by water; and

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(10) All matters of public record.

State of Oregon, County of Klamath  
Recorded 10/04/99 at 11:49a m.  
In Vol. M99 Page 39475  
Linda Smith  
County Clerk Fees 60<sup>00</sup>