



WARRANTY DEED

ASPEN TITLE ESCROW NO. 01051250

AFTER RECORDING RETURN TO:
Mr. and Mrs. David M. Cowan
7647 Libby Rd. NE
Olympia, WA. 98506

UNTIL A CHANGE IS REQUESTED ALL TAX
STATEMENTS TO THE FOLLOWING ADDRESS:
SAME AS ABOVE

WILLIAM J. RUST and ETHEL J. RUST, husband and wife,
hereinafter called GRANTOR(S), convey(s) and warrants to DAVID M.
COWAN and THERESA E. COWAN, husband and wife, hereinafter called
GRANTEE(S), all that real property situated in the County of
Klamath, State of Oregon, described as:

SEE LEGAL DESCRIPTION MARKED EXHIBIT "A" ATTACHED HERETO AND BY
THIS REFERENCE MADE A PART HEREOF AS THOUGH FULLY SET FORTH
HEREIN

"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 30.390."

and covenant(s) that grantor is the owner of the above described
property free of all encumbrances except covenants, conditions,
restrictions, reservations, rights, rights of way and easements
of record, if any, and apparent upon the land,

and will warrant and defend the same against all persons who may
lawfully claim the same, except as shown above.

The true and actual consideration for this transfer is
\$540,000.00. AND, A PORTION OF THIS TRUE CONSIDERATION FOR THIS
CONVEYANCE IS PURSUANT TO AN IRC 1031 TAX DEFERRED EXCHANGE ON
BEHALF OF THE GRANTORS.

In construing this deed and where the context so requires, the
singular includes the plural.

IN WITNESS WHEREOF, the grantor has executed this instrument
this 6th day of June, 2000.

William J. Rust
WILLIAM J. RUST

Ethel J. Rust
ETHEL J. RUST

STATE OF OREGON, County of Klamath)ss.

The foregoing instrument was acknowledged before me this 8th
day of June, 2000, by William J. Rust and Ethel J. Rust.

Before me: Marlene T. Addington
Notary Public for Oregon
My Commission Expires: March 22, 2001



EXHIBIT "A"

PARCEL 1:

In Township 37 South, Range 14 East of the Willamette Meridian,
in the County of Klamath, State of Oregon:

Section 2: That part of Section 2 lying Southwesterly of the Klamath Falls-Lakeview Highway No. 66. EXCEPTING THEREFROM the parcel deeded to J. C. Harrison, et ux., by deed recorded in Book 166 at Page 293, Deed Records of Klamath County, Oregon. ALSO EXCEPTING that part of the 100 foot logging railroad right of way of Weyerhaeuser Company lying Northwesterly of a point which is North 19 degrees 47' East 2,871.74 feet from the Southwest corner of said Section 2, and FURTHER EXCEPTING the 66 foot logging road right of way of Weyerhaeuser Company described in Book 324 at Page 157, Deed Records of Klamath County, Oregon, and FURTHER EXCEPTING that parcel conveyed from Owen R. Watts and Virginia M. Watts to Richard J. Smith by Warranty Deed dated September 21, 1971 and recorded September 22, 1971 in Book M-71 at Page 10078, Microfilm Records of Klamath County, Oregon.

Section 3: A portion of the SE 1/4 SW 1/4 and the SE 1/4, more particularly described as follows:

Beginning at a 5/8 inch iron pin in the Section line between Sections 3 and 10 from which the quarter corner common to said Sections 3 and 10, a brass cap, bears South 89 degrees 43' 28" East 105.00 feet; thence North 08 degrees 17' 00" East 465.00 feet to a 5/8 inch pin; thence North 57 degrees 21' 00" East 2402.00 feet to a 5/8" iron pin; thence North 13 degrees 01' 13" West 820.23 feet to a 5/8 inch iron pin; which is the Southwest corner of that parcel of land conveyed in Book 134 at Page 419, Deed Records of Klamath County, Oregon; thence North to the East-West centerline of said Section 3; thence East along said centerline to the East line of said Section 3; thence South along said East line to the Southeast corner of Section 3; thence North 89 degrees 43' 28" West along the South line of said Section 3 to the quarter corner common to Sections 3 and 10; thence continuing along said South line of Section 3, North 89 degrees 43' 28" West 105.00 feet to the point of beginning. EXCEPTING THEREFROM the 66 foot logging road right of way of Weyerhaeuser Company described in Book 324 at Page 157, Deed Records of Klamath County, Oregon. Basis of bearings are Surveys No. 1858 and 1933 filed in the office of the Surveyor of Klamath County, Oregon.

Continued on next page

EXHIBIT "A" CONTINUED

Section 10: The E 1/2 NE 1/4, EXCEPTING THEREFROM the 66 foot logging road of Weyerhaeuser Company described in Book 324 at Page 157, Deed Records of Klamath County, Oregon.

Section 11: The N 1/2 NE 1/4, SE 1/4 NE 1/4, NW 1/4, S 1/2 N 1/2 SW 1/4, S 1/2 SW 1/4, NW 1/4 SE 1/4, S 1/2 SW 1/4 SE 1/4, and the SE 1/4 SE 1/4.

Section 14: The N 1/2 N 1/2

In Township 37 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 2: A parcel of land located in the SW 1/4 of the NE 1/4 of Section 2, Township 37 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the center line of Oregon State Highway No. 140, said point being Oregon State Highway Engineer's Station 226+82.00, said point being South 00 degrees 57' West a distance of 504.00 feet and South 66 degrees 45' East, a distance of 3510.00 feet from the Northwest corner of said Section 2; thence South 23 degrees 15' West, a distance of 396.00 feet, to the true point of beginning; thence South 66 degrees 45' East, a distance of 300.00 feet; thence South 23 degrees 15' West a distance of 200.00 feet; thence North 66 degrees 45' West, a distance of 300.00 feet; thence North 23 degrees 15' East a distance of 200.00 feet to the true point of beginning.

Section 11: The SW 1/4 NE 1/4, NE 1/4 SE 1/4, N 1/2 SW 1/4 SE 1/4, and the N 1/2 NE 1/4 SW 1/4.

EXHIBIT "A" CONTINUED

PARCEL 2:

The N 1/2 NW 1/4 SW 1/4 of Section 11, Township 37 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

CODE 92 MAP 3714-1100 TL 300
CODE 92 MAP 3714-1100 TL 500
CODE 92 MAP 3714-1100 TL 100
CODE 92 MAP 3714 TL 2200
CODE 92 MAP 3714 TL 2100
CODE 92 & 58 MAP 3714-300 TL 500
CODE 58 & 92 MAP 3714-300 TL 500
CODE 113 MAP 3714-200 TL 1700
CODE 113 & 92 MAP 3714-200 TL 1400
CODE 92 & 113 MAP 3714-200 TL 1400
CODE 58 MAP 3714-200 TL 1800
CODE 58 MAP 3714-200 TL 1600
CODE 58 MAP 3714-200 TL 1200
CODE 92 MAP 3714-1100 TL 800
CODE 92 MAP 3714-1100 TL 1100
CODE 92 MAP 3714-1100 TL 600
CODE 92 MAP 3714-1100 TL 900
CODE 92 MAP 3714-1100 TL 400

State of Oregon, County of Klamath
Recorded 06/08/00, at 2:17 p. m.
In Vol. M00 Page 20827
Linda Smith,
County Clerk Fee \$ 36⁰⁰