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WHEN RECORDED RETURN TO.

Vol M01 Page 1636

The Nature Conservancy  
217 Pine Street, Suite 1100  
Seattle, WA 98101  
Attn: Patrick Ramos

RESERVED FOR RECORDER

K53128/L71329

**STATUTORY SPECIAL WARRANTY DEED**

ROSEBURG RESOURCES CO., an Oregon corporation, successor by merger to Divide Resources, Inc. ("Grantor") conveys and specially warrants to THE NATURE CONSERVANCY, a District of Columbia non-profit corporation ("Grantee") the real property in Klamath and Lake Counties, Oregon described on attached Exhibit A free of encumbrances created or suffered by the Grantor except as set forth herein.

SUBJECT TO the matters set forth on attached Exhibit B.

The true consideration for this conveyance is \$1,565,205.

This deed is executed and delivered in fulfillment of an Option Agreement between Grantor and Grantee, a memorandum of which was recorded January 24, 2000 in Volume M00, Page 2472, Deed Records of Klamath County, Oregon and on January 25, 2000 in Book 246, page 490, Deed Records of Lake County, Oregon.

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.

DATED this 12 day of January, 2001.

ROSEBURG RESOURCES CO., an  
Oregon corporation

By: Scott M. Nelson  
~~Allyn G. Ford, President.~~  
Scott M. Nelson

OC

K76-

STATE OF OREGON

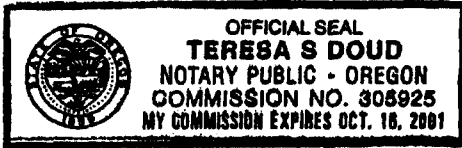
SS.

County of Douglas

This instrument was acknowledged before me on January 12, 2001, by Scott M. Nelson  
~~Font~~, as ~~President~~ of Roseburg Resources Co., an Oregon corporation.

Corporate Treasurer

Teresa S. Doud  
Notary Public for Oregon  
My commission expires: 10-16-01



**EXHIBIT A****A. The following lands in Lake County, Oregon:**

- Parcel 1: The NE  $\frac{1}{4}$  of Section 23 and the N  $\frac{1}{2}$  of the NW  $\frac{1}{4}$  of Section 24, all in Township 31 South, Range 13 East of the Willamette Meridian.
- Parcel 2: The N  $\frac{1}{2}$  of Section 26, Township 31 South, Range 13 East of the Willamette Meridian.
- Parcel 3: The SW  $\frac{1}{4}$  of Section 27, Township 31 South, Range 13 East of the Willamette Meridian.
- Parcel 4: Parcel 2 of Partition Plat 1999-P-167 located in Section 21 of Township 31 South, Range 14 East of the Willamette Meridian according to the said Partition Plat filed October 6, 1999 (also known as the NE  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 21 in Township 31 South, Range 14 East).
- Parcel 5: The N  $\frac{1}{2}$  of the NE  $\frac{1}{4}$  and the SE  $\frac{1}{4}$  of the NE  $\frac{1}{4}$  of Section 19 and the SW  $\frac{1}{4}$  of the NW  $\frac{1}{4}$  of Section 20, all in Township 31 South, Range 14 East of the Willamette Meridian.
- Parcel 6: The SW  $\frac{1}{4}$  of Section 3; the N  $\frac{1}{2}$  and the SW  $\frac{1}{4}$  of Section 10, all in Township 32 South, Range 13 East of the Willamette Meridian.
- Parcel 7: The SW  $\frac{1}{4}$  of Section 22, Township 32 South, Range 13 East of the Willamette Meridian.
- Parcel 8: The W  $\frac{1}{2}$  of the E  $\frac{1}{2}$  and the E  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  all in Section 28, Township 32 South, Range 13 East of the Willamette Meridian.

**B. The following lands in Township 33 South, Range 13 East, W.M., Klamath County, Oregon:**

- Section 3: SW  $\frac{1}{4}$
- Section 4: Government Lots 1, 2, and 3, S  $\frac{1}{2}$  NE  $\frac{1}{4}$ , SE  $\frac{1}{4}$  NW  $\frac{1}{4}$ , SE  $\frac{1}{4}$
- Section 10: NW  $\frac{1}{4}$
- Section 11: NW  $\frac{1}{4}$

**EXHIBIT A**

**EXHIBIT B  
TITLE EXCEPTIONS**

**1639**

**A. Lake County Title Exceptions**

1. Reservations in federal patents
2. Boundary issues and discrepancies and encroachments which would be disclosed by a survey of the Property

3. Reservations, including the terms and provisions thereof,

Dated: September 19, 1955

Recorded: December 7, 1955 in Book 118, page 383, Deed records of Lake County, Oregon

From: Roscoe Wahtah, a widower

To: Weyerhaeuser Timber Company

As follows: "all subsurface rights, except water, are hereby reserved in trust for the grantor." Affects NW ¼ of Sec. 26, T 31 R 13

4. Reservations, including the terms and provisions thereof, as contained in the Patent

Recorded: December 21, 1955 in Book 118, page 442, Deed records of Lake County, Oregon

From: Bureau of Indian Affairs

To: Weyerhaeuser Timber Company

As follows: "...reservation of all subsurface rights, except water, to the heirs of Blaine Po-pum-kus, and to their heirs and assigns under the terms approved by the Secretary of the Interior, March 25, 1946, pursuant to said Act."

Affects N ½ NW ¼ Section 24, T 31 R 13.

5. Reservations, including the terms and provisions thereof,

Dated: December 15, 1955

Recorded: April 30, 1956, in Book 119, page 154, Deed records of Lake County, Oregon

From: Juda Ruth Weah Watah formerly Juda Ruth Weah, a widow

To: Weyerhaeuser Timber Company, a Washington corporation

As follows: "all oil and gas, and mineral rights are hereby reserved to the Grantor, in trust."

Affects SW ¼, Section 22, T 32 R 13

6. Reservations, including the terms and provisions thereof,

Dated: October 25, 1956

Exhibit B  
Page 4 of 10

Recorded: January 8, 1957 in Book 120, page 323, Deed records of Lake County, Oregon  
 From: United States of America, Department of the Interior, acting by and through the Area Director of the Portland Area Office of the Bureau of Indian Affairs  
 To: Weyerhaeuser Timber Company, a Washington corporation  
 As follows: "all subsurface rights, except water, are hereby reserved in trust, for the heirs of Daniel Weah, deceased Klamath Allottee No. 874"  
 Affects W ½ NE ¼ Section 28, T 32 R 13.

7. Reservations, including the terms and provisions thereof,

Dated: November 8, 1956  
 Recorded: January 18, 1957 in Book 120, page 361, Deed records of Lake County, Oregon  
 From: United States of America, Department of the Interior, acting by and through the Area Director of the Portland Area Office of the Bureau of Indian Affairs  
 To: Weyerhaeuser Timber Company, a Washington corporation  
 As follows: "all subsurface rights, except water, are hereby reserved in trust, for the heirs of Dr. Sam Watah, deceased Klamath Allottee No. 886"  
 Affects NE ¼ of Section 10, T 32 R 13.

8. Reservations, including the terms and provisions thereof,

Dated: October 31, 1956  
 Recorded: January 18, 1957, in Book 120, page 359, Deed records of Lake County, Oregon  
 From: Frank John and Mamie John, husband and wife  
 To: Weyerhaeuser Timber Company, a Washington corporation  
 As follows: "all subsurface rights, except water, are hereby reserved, in trust, to the grantors, pursuant to the provisions of the Act of August 13, 1954 (68 Stat. 720)."  
 Affects SW ¼ of Section 27, T 31 R 13.

9. Reservations, including the terms and provisions thereof,

Dated: November 9, 1956

Recorded: January 18, 1957 in Book 120, page 362, Deed records of Lake County, Oregon

From: United States of America, Department of the Interior, acting by and through the Area Director of the Portland Area Office of the Bureau of Indian Affairs

To: Weyerhaeuser Timber Company, a Washington corporation

As follows: "all subsurface rights, except water, are hereby reserved, in trust, for the heirs of Margie Wahtah, deceased Klamath Allottee No. 887."

Affects NW ¼ Section 10, T 32 R 13.

10. Reservations, including the terms and provisions thereof,

Dated: November 9, 1956

Recorded: January 18, 1957 in Volume 120, page 363, Deed records of Lake County, Oregon

From: United States of America, Department of the Interior, acting by and through the Area Director of the Portland Area Office of the Bureau of Indian Affairs

To: Weyerhaeuser Timber Company, a Washington corporation

As follows: "all subsurface rights, except water, are hereby reserved, in trust, for the heirs of Oscar Wahtah, deceased Klamath Allottee No. 888."

Affects SW ¼ Section 10, T 32 R 13.

11. Memorandum of Agreement, including the terms and provisions thereof, to a Railroad right of way Easement,

Recorded: March 23, 1984 in Book 197, page 603, Deed records of Lake County, Oregon granted by the Chewacan Land and Cattle Company, predecessor to ZX Land and Cattle Company ("ZX"), grantor

To: Weyerhaeuser Timber Company, predecessor to Weyerhaeuser Company, grantee

Affects Sections 23, 24, 26, and 27, T 31 R 13; and Sections 3, 10, 22, and 28 of T 32 R 13

**12. Easement, including the terms and provisions thereof,****Dated:** May 30, 1984**Recorded:** July 19, 1984 in Book 198, page 672, Deed records of Lake County, Oregon**From:** Weyerhaeuser Company, a corporation of the State of Washington**To:** United States of America**Affects** W ¼ NE ¼ Section 28, S 32 R 13

- 13. Reservations by Weyerhaeuser Company Foundation of all geothermal steam and heat and all metals, ores and minerals of any nature whatsoever in or upon said land together with the right to enter upon said land for the purpose of exploring the same for such geothermal resources, metals, ores and minerals and drilling, opening, developing and working mines and wells thereon and taking out and removing therefrom including the terms and provisions thereof, as disclosed by a deed recorded December 17, 1993, in Book 224, page 481, Deed records of Lake County, Oregon.**  
**(Affects all parcels.)**

**14. Grazing Lease, including the terms and provisions thereof,****Dated:** April 26, 1982

**Between:** Weyerhaeuser Company, as lessor and ZX Land and Cattle Company as lessee as such lease has been amended and supplemented. The Lessee's interest of which has been assigned to J. R. Simplot Company, as disclosed by a Trust Deed dated December 3, 1993 between J. R. Simplot, as Trustee of the J. R. Simplot Self Declaration of Revocable Trust dated December 21, 1989, grantor and Metropolitan Life Insurance Company, beneficiary and Ticor Title Insurance Company, trustee, recorded December 30, 1993 in Book 99, page 30, Mortgage records of Lake County Oregon.

The Lessee's interest under such grazing lease is encumbered by a Trust Deed, including the terms and provisions thereof, given to secure an indebtedness of \$16,440,000.00,

**Dated:** December 3, 1993**Recorded:** December 30, 1993 in Book 99, page 30, Mortgage records of Lake County, Oregon**Grantor:** J. R. Simplot, as trustee of the J. R. Simplot Self Declaration of Revocable Trust dated December 21, 1989**Trustee:** Ticor Title Insurance Company**Beneficiary:** Metropolitan Life Insurance Company**PART II**

**Exhibit B**  
**Page 7 of 10**

**B. Klamath County Title Exceptions:**

1. Reservations in federal patents
2. Boundary issues and discrepancies and encroachments which would be disclosed by a survey of the Property
3. The rights of the public in and to that portion of the premises herein described lying within the limits of roads, streets or highways.
4. Rights of the public and of governmental bodies in and to that portion of the premises herein described lying below the high water mark of the Sycan River and the Lake shown on Klamath County Assessor's Map.

**5. Mineral reservation as contained in Deed**

Recorded: December 12, 1955 in Volume 280, page 175, Deed records of Klamath County, Oregon  
From: United States of America  
To: Weyerhaeuser Timber Company  
Affects NW ¼ of Section 11.

**6. Mineral reservation as contained in Deed**

Recorded: May 14, 1956 in Volume 283, page 139, Deed records of Klamath County, Oregon  
From: United States of America  
To: Weyerhaeuser Timber Company  
Affects SW ¼ of Section 3.

**7. Mineral reservation as contained in Deed**

Recorded: May 14, 1956 in Volume 283, page 141, Deed records of Klamath County, Oregon  
From: United States of America  
To: Weyerhaeuser Timber Company  
Affects NE ¼ of Section 4.



8. Mineral reservation as contained in Deed

Recorded: May 14, 1956 in Volume 283, page 143, Deed records of Klamath County, Oregon  
 From: United States of America  
 To: Weyerhaeuser Timber Company  
 Affects SE ¼ of Section 4.

9. Mineral reservation as contained in Deed

Recorded: May 14, 1956 in Volume 283, page 143, Deed records of Klamath County, Oregon  
 From: United States of America  
 To: Weyerhaeuser Timber Company  
 Affects NW ¼ of Section 10.

10. Reservation as contained in Deed

Recorded: December 15, 1993 in Volume M93, page 33403, Deed records of Klamath County, Oregon  
 From: Weyerhaeuser Company formerly Weyerhaeuser Timber Company  
 To: Weyerhaeuser Company Foundation

11. Reservation as contained in Deed

Recorded: December 17, 1993 in Volume M93, page 33608, Deed records of Klamath County, Oregon  
 From: Weyerhaeuser Company Foundation  
 To: Divide Resources, Inc.

12. Unrecorded Grazing Lease, including the terms and provisions thereof,

Dated: April 26, 1982  
 Lessor: Weyerhaeuser Company  
 Lessee: ZX Land and Cattle Company  
 Lessee's interest assigned to: J.R. Simplot Company

As disclosed by Trust Deed

Dated: December 30, 1993  
 Recorded: December 30, 1993 in Volume M93, page 35191, Mortgage records of Klamath County, Oregon  
 (covers additional property)

The lessee's interest under such grazing lease is encumbered by a Trust Deed, including the terms and provisions thereof, given to secure an indebtedness of \$16,440,000

Dated: December 30, 1993

Recorded: December 30, 1993 in Volume M93, page 35191, Mortgage records of Klamath County, Oregon

Grantor: J. R. Simplot, as Trustee of the J.R. Simplot Self Declaration of Revocable Trust dated December 21, 1989 and J. R. Simplot Company

Trustee: Ticor Title Insurance Company

Beneficiary: Metropolitan Life Insurance Company  
(covers additional property)

13. Assignment of Right of Way Permit or Grant, including the terms and provisions thereof,

Recorded: October 22, 1998 in Volume M98, page 38/70, Deed records of Klamath County, Oregon

From: Divide Resources, Inc.

To: Roseburg Resources Co.

## Notice of Grant Agreement

THE NATURE CONSERVANCY, A District of Columbia non-profit corporation is the owner of a certain piece or parcel of land located in Lake and Klamath County, Oregon more particularly described in Exhibit A attached hereto and made part hereof (the "Property").

Notice is hereby given that THE NATURE CONSERVANCY acquired the Property with North American Wetlands Conservation Fund funds pursuant to a Grant Agreement between the U.S. Fish and Wildlife Service and THE NATURE CONSERVANCY, dated January 10, 2001, Agreement Number: 98210-1G782, a copy of which is kept at the North American Waterfowl & Wetlands Office, U.S. Fish and Wildlife Service, 4401 N. Fairfax Drive, Arlington, VA 22203 and at the offices of THE NATURE CONSERVANCY at 821 SE 14<sup>th</sup> Avenue, Portland, OR 97214.

THE NATURE CONSERVANCY hereby confirms its obligations with regards to the Property pursuant to the terms of the Grant Agreement, including ensuring the long term conservation of the Property and obtaining the consent of the U.S. Fish and Wildlife Service prior to the conveyance of any interest therein.

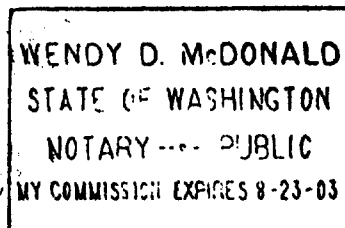
In witness whereof the THE NATURE CONSERVANCY has set its hand and seal this 10<sup>th</sup> day of January, 2001.



By: Patrick Ramos  
Its: Assistant Secretary  
DULY AUTHORIZED

STATE OF Washington  
COUNTY OF \_\_\_\_\_ ) SS:

On this 10<sup>th</sup> day of January, 2001, before me personally appeared Patrick Ramos, to me personally known, who, being by me duly sworn did say that he is the Assistant Secretary of the corporation named in the foregoing instrument; that the seal affixed to said instrument is the corporation seal of said corporation; and acknowledged said instrument to be the free act and deed of said corporation.



Wendy McDonald  
Notary Public  
My Commission Expires: 8-23-03

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A. The following lands in Lake County, Oregon:

- Parcel 1: The NE  $\frac{1}{4}$  of Section 23 and the N  $\frac{1}{2}$  of the NW  $\frac{1}{4}$  of Section 24, all in Township 31 South, Range 13 East of the Willamette Meridian.
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**B. The following lands in Township 33 South, Range 13 East, W.M., Klamath County, Oregon:**

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- Section 10: NW  $\frac{1}{4}$
- Section 11: NW  $\frac{1}{4}$

State of Oregon, County of Klamath  
 Recorded 01/16/01, at 10:42 a.m.  
 In Vol. M01 Page 1636  
**Linda Smith,**  
 County Clerk Fee\$ 76<sup>00</sup>

**EXHIBIT A**