

AFTER RECORDING, RETURN TO:

Cathy Gray
U.S. Timberlands Klamath Falls, L.L.C.
6400 Highway 66
Klamath Falls, OR 97601

State of Oregon, County of Klamath
Recorded 09/13/2002 3:17 p. m.
Vol M02, Pg 52336-44
Linda Smith, County Clerk
Fee \$ 61⁶⁰ # of Pgs 9

SEND TAX STATEMENTS TO:

U.S. Timberlands Klamath Falls, L.L.C.
6400 Highway 66
Klamath Falls, OR 97601

mtc 58368

**WARRANTY DEED
(Yainax Butte)**

U.S. TIMBERLANDS YAKIMA, LLC, a Delaware limited liability company ("Grantor"), conveys and warrants to U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company ("Grantee"), certain real property located in Klamath County, Oregon, which is more particularly described on Exhibit A attached hereto and incorporated herein by reference, free of encumbrances except as specifically set forth on Exhibit B attached hereto and incorporated herein by reference.

The true and actual consideration for this transfer is \$2,567,000.00.

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 USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

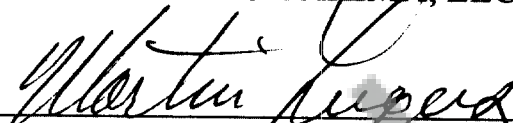
121.00 in

52337

Dated this 13th day of September, 2002.

U.S. TIMBERLANDS YAKIMA, LLC

By



Martin Lugus, its Authorized Representative

Unofficial
Copy

52338

STATE OF OREGON)
) ss.
County of Klamath)

This instrument was acknowledged before me on September 13, 2002, by
Martin Lugus as Authorized Representative of U.S. Timberlands Yakima, LLC.



Catherine Gray
NOTARY PUBLIC FOR OREGON
My Commission Expires: 5/6/04

EXHIBIT A

52339

Yainax Butte

PARCEL 1

Section 1 - Government Lots 1, 2, 6 and 8, S1/2 NE1/4, SE1/4, SE1/4 SW1/4

Section 2 - Government Lot 9

Section 11 - Government Lots 1, 2, 3, 4, 5 and 6, SE1/4 NE1/4, E1/2 SE1/4, SW1/4 SE1/4

Section 12 - A11

Section 13 - NE1/4, NE1/4 NW1/4, S1/2 NW1/4, S1/2

Section 14 - N1/2 NE1/4, SW1/4 NE1/4, NW1/4, N1/2 SW1/4, SE1/4 SW1/4, SE1/4

Section 23 - E1/2 NW1/4, N1/2 NE1/4

Section 24 - NW1/4, E1/2 NE1/4, N1/2 SE1/4, E1/2 SW1/4

All being in Township 37 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2

Section 5 - W1/2 SE1/4, Government Lot 4, SW1/4 NW1/4, W1/2 SW1/4

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

Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2

Section 8 - NW1/4 NE1/4, N1/2 NW1/4, SW1/4, W1/2 SE1/4, SE1/4 SE1/4

Section 9 - W1/2 SW1/4, SE1/4 SW1/4

Section 14 - A strip of land 100 feet in width, being 50 feet on each side of the following described center line, to wit:

Beginning at a point on the Section line between Sections 14 and 23, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, which is 1,006 feet East of the corner common to Sections 14, 15, 22 and 23, aforesaid Township and Range; thence Northerly along a 7 degree curve to the right 300 feet; thence North 23 degrees 30' East 700 feet; thence along a 5 degree curve to the right 400 feet; thence North 43 degrees 30' East 500 feet; thence along a 5 degree curve to the left 850 feet; thence North 1 degree East 750 feet; thence along a 5 degree curve to the right 200 feet; thence North 11 degrees East 667 feet to a point on the South line of the NE1/4 of the NW1/4 of said Section 14, aforesaid Township and Range.

That portion of the SE1/4 of the NW1/4 and the NE1/4 of the SW1/4 of Section 14, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the Easterly line of the right of way of the Pelican Bay Lumber Company's logging railroad North of the road across the Pole Creek field and opposite Engineer's Station 0.00 in the NE1/4 of the SW1/4 of Section 14, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon; thence Northerly along the Easterly line of the right of way of the said logging railroad, 625.8 feet; thence Easterly at right angles to the center line of the said logging railroad 208.6 feet; thence Southerly parallel with the right of way of said logging railroad 625.8 feet; thence Westerly at right angles to the center line of said logging railroad 208.6 feet to the point of beginning.

Section 17 - All

Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, W1/2 E1/2, SE1/4 NE1/4, E1/2 SE1/4

Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2

Section 20 - N1/2, SW1/4, W1/2 SE1/4

Section 21 - W1/2 NW1/4

Section 29 - NW1/4, W1/2 NE1/4

Section 30 - Government Lot 1, E1/2 NW1/4, N1/2 NE1/4, SE1/4 NE1/4

All being in Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3

A strip of land 66 feet in width upon, over, and across the SW1/4 of NW1/4 and the W1/2 of SW1/4 of Section 2, the SE1/4 of SE1/4 of Section 3, and the NE1/4 of NE1/4 of Section 10, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, extending from a line bearing North 56 degrees 20' East and passing through a Point which is 2,871.74 feet distant North 19 degrees 47' East from the Southwest corner of said Section 2 to the West line of said NE1/4 of NE1/4, and being 33 feet on each side of the following described center line;

Beginning at said point which is 2,871.74 feet distant North 19 degrees 47' East from the Southwest corner of said Section 2, said point being designated as Engineer's Station B.C. 26+68.60; thence from a back tangent bearing South 33 degrees 40' East along the arc of a 5 degree curve to the right through a central angle of 31 degrees 18' for a distance of 626.00 feet; thence South 2 degrees 22' East for a distance of 134.95 feet; thence along the arc of a 16 degree curve to the right through a central angle of 5

degrees 53' 05" for a distance of 36.78 feet to Engineer's Station P.O.C. 34+66.33 Back 0+00.00 Ahead; thence continuing along the arc of said 16 degree curve to the right through a central angle of 64 degrees 53' 55" for a distance of 405.62 feet; thence South 68 degrees 25' West for a distance of 881.49 feet; thence along the arc of a 6 degree curve to the left through a central angle of 25 degrees 41' (crossing the West line of said Section 2 at Engineer's Station P.O.C. 13+86.70 from which the Southwest corner of said Section 2 bears South 0 degrees 02' East a distance of 1,243.54 feet) for a distance of 428.06 feet; thence South 42 degrees 44' West (crossing the South line of said Section 3 at Engineer's Station P.O.T. 31+73.62 from which the Southeast corner of said Section 3 bears South 89 degrees 54' East a distance of 1,251.22 feet) for a distance of 1,634.83 feet to Engineer's Station P.O.T. 33+50 which is a point 1,385.74 feet distant South 85 degrees 09' West from the Northeast corner of said Section 10.

PARCEL 4

A strip of land 100 feet in width and extending from the Southerly line of the right of way of the Klamath Falls-Lakeview Highway in the NE1/4 NE1/4 (Government Lot 1), Section 3, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, in a Southeasterly direction through said NE1/4 NE1/4 (Government Lot 1) of Section 3, said Township and Range above mentioned, and in a Southeasterly and Southerly direction through the Government Lot 4 and the NW1/4 SW1/4 of Section 2, said Township and Range above mentioned, being a portion of the strip of land described in Warranty Deed dated November 12, 1948, recorded in Volume 227, page 60, Deed Records of Klamath County, Oregon, LESS AND EXCEPT that portion in said NW1/4 SW1/4, Section 2, said Township and Range above mentioned, described in Quitclaim Deed dated May 25, 1960, recorded in Volume M71, page 9647, Microfilm Records of Klamath County, Oregon.

PARCEL 5

A strip of land 100 feet in width in the N1/2 of Government Lots 2 and 3 of Section 1, Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon, extending from the West line of said Government Lot 3 to the South line of said N1/2 of Government Lot 2 and being 50 feet on each side of a center line as now staked on the ground and more particularly last herein described, and a strip of land 66 feet in width in Government Lot 1 and the S1/2 Government Lot 2 and in the SE1/4 of the NE1/4 of said Section 1 and being 33 feet on each side of a center line as now staked on the ground and more particularly described as follows:

Beginning at Engineer's Station 0+00, being a point on the West line of said Section 1 which is 112.0 feet distant South of the Northwest corner of said Section; thence South 88 degrees 07' East (crossing the West line of Government Lot 3 of said Section 1 at Engineer's Station 13+27.51 P.O.T.) being a point which is 149.5 feet distant South of the Northwest corner of said Government Lot 3, for a distance of 1,397.54 feet; thence along a 5 degree curve to the right through a central angle of 13 degrees 14' for an arc distance of 264.67 feet; thence South 74 degrees 53' East for a distance of 1,190.88 feet; thence along a 4 degree curve to the right through a central angle of 11 degrees 27' for an arc distance of 286.25 feet; thence South 63 degrees 26' East (crossing the South line of the N1/2 of Government Lot 2 of said Section 1 at Engineer's Station 33+28.0 P.O.T., being a point 590.0 feet distant East of the Southwest corner of said N1/2 of Government Lot 2) for a distance of 984.31 feet; thence along a 2 degree curve to the left through a central angle of 8 degrees 16' for an arc distance of 413.33 feet; thence South 71 degrees 42' East for a distance of 552.27 feet to Engineer's Station 50+89.25 Back = Engineer's Station 0+00 B.C. Ahead; thence along a 10 degree curve to the left through a central angle of 65 degrees 37' (crossing the East line of said Section 1 at Engineer's Station 4+20.0 P.O.C., being a point which is 1,333.0 feet distant South 0 degrees 41' West from the Northeast corner of said Section 1) for an arc distance of 656.17 feet to Engineer's Station 6+56.17 E.C.; thence North 42 degrees 41' East (crossing the North line of said Section 6 at Engineer's Station 22+85.96 P.O.T., which is 1,376.34 feet distant North 89 degrees 47' West of the North quarter corner of said Section 6) for a distance of 2,227.48 feet; thence along a 10 degree curve to the right through a central angle of 31 degrees 15' for an arc distance of 312.40 feet; thence North 73 degrees 56' East (crossing the North line of the SE1/4 of SE1/4 of said Section 31 at Engineer's Station 57+45.0 P.O.T.) for a distance of 3,484.95 feet to Engineer's Station 66+81.0 P.O.T., being a point on the East line of said Section 31 which is 1,587.0 feet distant North from the Southeast corner of said Section 31.

EXHIBIT B

52343

1. Taxes for the fiscal year 2002-2003.
2. Assessments and easements, if any, of Klamath Lake Grazing Fire Patrol and Klamath Lake Timber Fire Patrol.
3. Additional tax if the property described herein is disqualified for special assessment as Forest Use Land, together with any penalty if notice of disqualification is not timely given.
4. Forest Service, Indian, logging roads and railroads as set forth on various assessor's maps, and the right of the public in and to any portions of the herein described parcels lying within the limits of public roads and highways.
5. 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, judicial decisions, for food gathering, shelter, religious ceremonies, social and economic gatherings, battlefields and burial sites.
6. Reservations and Restrictions as contained in Patent, subject to the terms and provisions thereof, recorded September 14, 1906, in Book 21 at Page 131, Deed Records of Klamath County, Oregon.
7. Reservations and Restrictions as contained in Patent, subject to the terms and provisions thereof, recorded November 9, 1909, in Book 26 at Page 594, Deed Records of Klamath County, Oregon.
8. Reservations and Restrictions as contained in Patent, subject to the terms and provisions thereof, recorded January 13, 1923, in Book 59 at Page 466, Deed Records of Klamath County, Oregon.
9. Easement for roadway, subject to the terms and provisions thereof, granted to United States of America, recorded April 8, 1971, in Vol. M71, page 2951, Microfilm Records of Klamath County, Oregon.
10. Easement Exchange, subject to the terms and provisions thereof, between Weyerhaeuser Company and Ruth E. Hall, recorded January 21, 1972, in Vol. M72, page 737, Microfilm Records of Klamath County, Oregon.

11. Easement for roadway, subject to the terms and provisions thereof, granted to United States of America, recorded January 18, 1973, in Vol. M73, page 671, Microfilm Records of Klamath County, Oregon.
12. Easement for roadway, subject to the terms and provisions thereof, granted to United States of America, recorded March 19, 1976, in Vol. M76, page 3998, Microfilm Records of Klamath County, Oregon
13. Reservations and restrictions as contained in Deed, subject to the terms and provisions thereof, recorded May 12, 1987, in Vol. M87, page 8149, Microfilm Records of Klamath County, Oregon.
14. Easement created by instrument and reservations as contained in Deed, subject to the terms and provisions thereof, by Weyerhaeuser Company, recorded August 30, 1996, in Vol. M96, page 26858, Microfilm Records of Klamath County, Oregon.
15. Rights of the public and governmental bodies in and to any portion of the premises herein described now or at any time lying below the high water mark of creeks or rivers, including any ownership rights which may be claimed by the State of Oregon as to any portion now or at any time lying below the high water mark.
16. Terms and provisions as contained in Timber Deed from U.S. Timberlands Yakima, LLC to Fremont Sawmill, dated November 23, 2001, recorded December 5, 2001 in Volume M01, page 62035, Microfilm Records of Klamath County, Oregon.
17. Terms and provisions as contained in Timber Deed from U.S. Timberlands Services Yakima, LLC to U.S. Timberlands Klamath Falls, L.L.C., dated July 12, 2002, recorded July 23, 2002 in Volume M02, page 41421, Microfilm Records of Klamath County, Oregon.