

'03 MAY 14 PM 3:10

Vol M03 Page 32486

AFTER RECORDING, RETURN TO:

Laurie N. Ragen
DORSEY & WHITNEY LLP
1420 Fifth Avenue, Suite 3400
Seattle, WA 98101

State of Oregon, County of Klamath
Recorded 05/14/2003 3:10 p m.
Vol M03 Pg 32486-32499
Linda Smith, County Clerk
Fee \$ 86⁰⁰ # of Pgs 14

SEND TAX STATEMENTS TO:

Cathy Gray
U.S. Timberlands Services Yakima, LLC
6400 Highway 66
Klamath Falls, OR 97601

MTL 60910

**WARRANTY DEED
(Klamath County)**

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company ("Grantor"), conveys and warrants to U.S. TIMBERLANDS SERVICES YAKIMA, LLC, 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 \$6,062,348.00.

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.

PAGE 1

[/OR Wty Deed-Klamath]

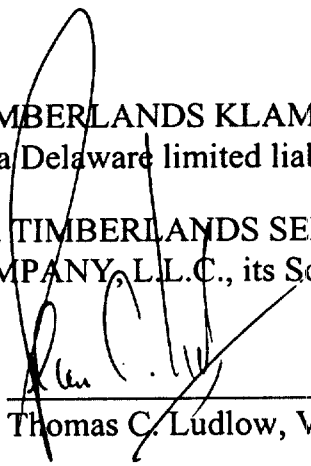
Elk: CM

Dated as of the 12th day of May, 2003.

32487

U.S. TIMBERLANDS KLAMATH FALLS,
L.L.C., a Delaware limited liability company

By: U.S. TIMBERLANDS SERVICES
COMPANY, L.L.C., its Sole Manager

By  _____
Thomas C. Ludlow, Vice President

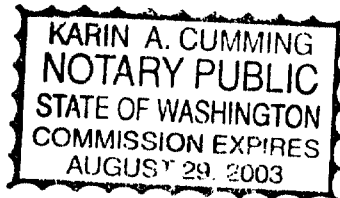
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

On this 8th day of May, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Thomas C. Ludlow, to me known to be the person who signed as Vice President of U.S. TIMBERLANDS SERVICES COMPANY, L.L.C., the Manager of U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said Manager and of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the Manager and that he was authorized to execute said instrument on behalf of said Manager and that the Manager was authorized to execute said instrument on behalf of said limited liability company.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Karin A. Cumming
(Signature of Notary)

Karin A. Cumming
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at Seattle.
My appointment expires: August 29, 2003.

EXHIBIT A

All real property located in Klamath County, Oregon, described as follows:

TOWNSHIP 40 SOUTH, RANGE 6 EAST, W.M.

- Section 12: Government Lot 1; The Southeast Quarter of the Northeast Quarter; The East Half of the Southeast Quarter
- Section 24: All
- Section 25: All
- Section 26: The East Half
- Section 36: All

TOWNSHIP 41 SOUTH, RANGE 6 EAST, W.M.

- Section 2: The Northeast Quarter
- Section 9: The Southwest Quarter
- Section 12: All
- Section 16: Government Lots 1, 2, 3, and 4

TOWNSHIP 39 SOUTH, RANGE 7 EAST, W.M.

- Section 27: The South Half of the Southwest Quarter; The Southwest Quarter of the Southeast Quarter
- Section 28: The South Half of the South Half
- Section 29: The Southeast Quarter of the Southeast Quarter
- Section 32: The Southeast Quarter of the Northwest Quarter; The Southwest Quarter of the Northeast Quarter; The Southeast Quarter of the Southeast Quarter; The West Half of the Southeast Quarter; The East Half of the Southwest Quarter; The Southwest Quarter of the Southwest Quarter

- Section 33: The Northeast Quarter; The Northeast Quarter of the Northwest Quarter; The North Half of the Southeast Quarter
- Section 34: All
- Section 35: The West Half of the Southwest Quarter; A Portion of Government Lot 3; The Southeast Quarter of the Southwest Quarter; The Southwest Quarter of the Southeast Quarter; Government Lot 5, more particularly described in Volume 314, Page 179, Deed Records of Klamath County, Oregon

TOWNSHIP 40 SOUTH, RANGE 7 EAST, W.M.

- Section 1: The Northwest Quarter of the Southeast Quarter; The Northeast Quarter of the Southwest Quarter; The South Half of the Southwest Quarter
- Section 2: Fractional North Half; The North Half of the Southwest Quarter; The Southeast Quarter of the Southwest Quarter; The Southeast Quarter
- Section 4: All
- Section 6: The North Half of the Northeast Quarter; The Southeast Quarter of the Northeast Quarter; The Southeast Quarter; The South Half of the Southwest Quarter
- Section 7: The West Half of the Southwest Quarter; The Southeast Quarter of the Southwest Quarter; The Southwest Quarter of the Southeast Quarter
- Section 8: The Northeast Quarter; Government Lots 3, 4, and 5; The Northeast Quarter of the Southwest Quarter
- Section 10: Governments Lots 1, 2, 3, and 4; The South Half of the North Half; The Southwest Quarter
- Section 12: The Southwest Quarter; The Southeast Quarter of the Northwest Quarter; The Southwest Quarter of the Northeast Quarter; the West Half of the Southeast Quarter
- Section 13: Being a portion of the North Half of the Northwest Quarter of Section 13, Township 40 South, Range 7 East, W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at the section corner common to Sections 11, 12, 13, and 14, Township 40 South, Range 7 East, W.M., Klamath County, Oregon; thence South 89°10'48" East along the Section line 2,636.126 Feet to the ¼ corner

common to Sections 12 and 13 of said Township and Range; thence South 0°21'4" East 1,321.589 Feet to a 2" survey cap; thence North 89°15'40" West 1,331.234 feet to a 2" survey cap marking the Northwest 1/16th corner of Section 13; thence North 44°22'04" West 1,877.448 feet to the point of beginning.

Section 16: All

Section 18: All

Section 20: The North Half; The North Half of the South Half

Section 22: The Northwest Quarter; The North Half of the Northeast Quarter; The Southwest Quarter of the Northeast Quarter; The Northwest Quarter of the Southeast Quarter; The North Half of the Southwest Quarter; Government Lots 3 and 4

Section 26: The East Half; The East Half of the Northwest Quarter; The Southwest Quarter of the Northwest Quarter; The Northwest Quarter of the Northwest Quarter

EXCEPT that portion of the following described land lying in the Northwest Quarter of the Northwest Quarter of said Section 26, more particularly described as follows:

Beginning at an iron pin from which the Section corner common to said Sections 23 and 26 (as marked by a brass capped monument) bears North 45°07'46" West 130.75 feet and South 29°15'31" West 61.67 feet; thence North 43°51'57" East 223.58 feet to an iron pin; thence North 84°44'04" East 229.91 feet to an iron pin; thence South 08°53'40" East 279.98 feet to an iron pin; thence South 41°58'02" West 234.03 feet to an iron pin; thence North 45°07'46" West 381.17 feet to the point of beginning.

Section 28: All

Section 33: The East Half of the West Half; The Southwest Quarter of the Southeast Quarter

Section 35: The East Half of the East Half; The Southwest Quarter of the Southeast Quarter

Section 36: The West Half; The Southeast Quarter

TOWNSHIP 41 SOUTH, RANGE 7 EAST, W.M.

Section 1: The East Half; The Southwest Quarter

Section 2: The Southwest Quarter of the Northeast Quarter; The East Half of the Northwest Quarter

EXCEPT That portion described in Deed recorded January 5, 1925, in Deed Book 65 at Page 142.

The East Half of the Southwest Quarter; The West Half of the West Half

Section 3: The East Half of the Southeast Quarter

Section 4: The North Half of the North Half; The South Half of the Northeast Quarter

Section 10: The Northwest Quarter; The Northeast Quarter of the Southwest Quarter

Section 11: The East Half; The Northwest Quarter of the Northwest Quarter; The Northwest Quarter of the Southwest Quarter

Section 12: All

Section 13: The Northwest Quarter of the Northeast Quarter; The North Half of the Northwest Quarter; Government Lots 2 and 3

Section 14: The Northeast Quarter of the Northeast Quarter; Government Lots 1, 2, 3, and 4

TOWNSHIP 41 SOUTH, RANGE 8 EAST, W.M.

Section 6: The Northwest Quarter; The Northwest Quarter of the Northeast Quarter; The North Half of the Southwest Quarter; The Southwest Quarter of the Southwest Quarter

Section 7: The Northwest Quarter; The North Half of the Northeast Quarter; The North Half of the Southwest Quarter; The Southwest Quarter of the Southwest Quarter

EXHIBIT B

32493

1. Taxes for the fiscal year 2003-2004.
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. Rights of the public in and to any portions of the herein described parcels lying within the limits of streets, roads and highways.
5. Rights of the public and of governmental bodies in and to that portion of the premises described herein, now or at any time lying below the high water mark of the Klamath River, including any ownership rights which may be claimed by the State of Oregon, in and to any portion of the premises now or at any time lying below the ordinary high water mark thereof.
6. Reservations and Restrictions as contained in Patent, subject to the terms and provisions thereof, recorded February 8, 1892 in Volume 10, page 562, Deed Records of Klamath County, Oregon.
7. Reservations and Restrictions as contained in Warranty Deed, subject to the terms and provisions thereof, recorded May 24, 1922 in Volume 58, page 548, Deed Records of Klamath County, Oregon.
8. Agreement granting easement for right of way, including the terms and provisions thereof, recorded July 29, 1927 in Volume 76, page 201, Deed Records of Klamath County, Oregon.
9. Easement for electric transmission line, including the terms and provisions thereof, recorded September 20, 1927 in Volume 76, page 465, Deed Records of Klamath County, Oregon.
10. Reservations of Mineral Rights, as set forth in deed, subject to the terms and provisions thereof, recorded December 30, 1927 in Volume 79, page 282, Deed Records of Klamath County, Oregon.

11. Reservations and Restrictions as contained in Grant Deed, subject to the terms and provisions thereof, recorded February 15, 1928 in Volume 79, page 493, Deed Records of Klamath County, Oregon.
12. Reservations and Restrictions as contained in Grant Deed, subject to the terms and provisions thereof, recorded February 15, 1928 in Volume 79, page 494, Deed Records of Klamath County, Oregon.
13. Easement for a right of way for electric transmission line, including the terms and provisions thereof, recorded June 19, 1941 in Volume 139, page 7, Deed Records of Klamath County, Oregon.
14. Right of Way Easement, subject to the terms and provisions thereof, recorded January 20, 1948 in Volume 216, page 41, Deed Records of Klamath County, Oregon.
15. Easement for electric transmission line, including the terms and provisions thereof, recorded March 24, 1949 in Volume 229, page 546, Deed Records of Klamath County, Oregon.
16. Agreement granting easement for right of way, including the terms and provisions thereof, recorded December 2, 1953 in Volume 264, page 269, Deed Records of Klamath County, Oregon, and Supplemental Agreement , including the terms and provisions thereof, recorded November 5, 1973 in Volume M73, page 14763, Microfilm Records of Klamath County, Oregon.
17. Reservations and Restrictions, subject to the terms and provisions thereof, recorded April 12, 1954 in Volume 266, page 316, Deed Records of Klamath County, Oregon.
18. Easement for transmission and distribution of electricity, including the terms and provisions thereof, recorded December 5, 1957 in Volume 296, page 126, Deed Records of Klamath County, Oregon.
19. Easement for sewer line and antenna farm, including the terms and provisions thereof, recorded June 27, 1958 in Volume 300, page 368, Deed Records of Klamath County, Oregon.
20. Easement for removal of growth and obstructions, including the terms and provisions thereof, recorded June 27, 1958 in Volume 300, page 372, Deed Records of Klamath County, Oregon, corrections thereto by instruments recorded April 7, 1959, in Volume 311, page 323, and recorded January 26,

1966, in Volume M66, page 729, Microfilm Records of Klamath County, Oregon.

21. Easement for transmission and distribution of electricity, including the terms and provisions thereof, recorded July 14, 1959 in Volume 314, page 147, Deed Records of Klamath County, Oregon.
22. Reservations and Restrictions as contained in Warranty Deed, subject to the terms and provisions thereof, recorded July 14, 1959 in Volume 314, page 179, Deed Records of Klamath County, Oregon.
23. Easement for electric transmission right of way, including the terms and provisions thereof, recorded July 14, 1959 in Volume 314, page 184, Deed Records of Klamath County, Oregon.
24. Easement for water pipe line and appurtenances, including the terms and provisions thereof, recorded November 12, 1959 in Volume 317 page 162, Deed Records of Klamath County, Oregon.
25. Easement and right of way, including the terms and provisions thereof, recorded December 2, 1960 in Volume 326, page 27, Deed Records of Klamath County, Oregon.
26. Right of Way and Road Use Agreement, subject to the terms and provisions thereof, recorded July 8, 1963 in Volume 346, page 367, Deed Records of Klamath County, Oregon, and all supplemental agreements and amendments thereto, of record.
27. Easement for road, including the terms and provisions thereof, recorded November 26, 1963 in Volume 349 page 406, Deed Records of Klamath County, Oregon.
28. Transmission Line Easement, including the terms and provisions thereof, recorded February 28, 1966 in Volume M66, page 1391, Microfilm Records of Klamath County, Oregon.
29. Transmission Line Easement, including the terms and provisions thereof, recorded March 31, 1966 in Volume M66, page 2852, Microfilm Records of Klamath County, Oregon.

30. Easement for electric transmission line, including the terms and provisions thereof, recorded September 13, 1966 in Volume M66, page 9069, Microfilm Records of Klamath County, Oregon.
31. Easement for electric transmission line, including the terms and provisions thereof, recorded January 27, 1967 in Volume M67, page 640, Microfilm Records of Klamath County, Oregon.
32. Easement for road, including the terms and provisions thereof, recorded November 13, 1967 in Volume M67, page 8779, Microfilm Records of Klamath County, Oregon.
33. Easement for roadway, power and/or telephone lines, including the terms and provisions thereof, recorded June 8, 1970 in Volume M70, page 4570, Microfilm Records of Klamath County, Oregon.
34. Easement for roadway, including the terms and provisions thereof, recorded April 8, 1971 in Volume M71, page 2951, Microfilm Records of Klamath County, Oregon, as amended by instruments recorded November 17, 1986 in Volume M86, page 20998, and recorded March 16, 1995 in Volume M95, page 5892, said records.
35. Easement Exchange, including the terms and provisions thereof, recorded February 11, 1974 in Volume M74, page 2259, Microfilm Records of Klamath County, Oregon, and Easement Supplement recorded September 18, 1975 in Volume M75, page 11163, said records.
36. Easement Exchange, including the terms and provisions thereof, recorded April 15, 1974 in Volume M74, page 4587, Microfilm Records of Klamath County, Oregon.
37. Easement Exchange, including the terms and provisions thereof, recorded July 8, 1975 in Volume M75, page 7683, Microfilm Records of Klamath County, Oregon.
38. Easement for telephone cable, including the terms and provisions thereof, recorded December 7, 1976 in Volume M76, page 19602, Microfilm Records of Klamath County, Oregon.
39. Easement Exchange, including the terms and provisions thereof, recorded May 30, 1978 in Volume M78, page 11354, Microfilm Records of Klamath

County, Oregon, and Easement Correction recorded October 25, 1978 in Volume M78, page 23943, said records.

40. Reservations and Restrictions as contained in Warranty Deed, subject to the terms and provisions thereof, recorded December 27, 1979 in Volume M79, page 29619, Microfilm Records of Klamath County, Oregon.
41. Easement for underground electric cable, including the terms and provisions thereof, recorded September 4, 1980 in Volume M80, page 16774, Microfilm Records of Klamath County, Oregon.
42. Easement for electric transmission line, including the terms and provisions thereof, recorded May 19, 1981 in Volume M81, page 8784, Microfilm Records of Klamath County, Oregon, and re-recorded June 11, 1981 in Volume M81, page 10478, said records.
43. Permit to locate and operate a radio repeater, and the terms and provisions thereof, recorded November 25, 1983 in Volume M83, page 20307, Microfilm Records of Klamath County, Oregon.
44. Findings of Fact and Order for permit to construct radio repeater, and the terms and provisions thereof, recorded June 1, 1984 in Volume M84, page 9173, Microfilm Records of Klamath County, Oregon.
45. Easement for overhead electric transmission line, including the terms and provisions thereof, recorded October 5, 1984 in Volume M84, page 17216, Microfilm Records of Klamath County, Oregon.
46. Reservations and Restrictions as contained in Exchange Deed, subject to the terms and provisions thereof, recorded May 12, 1987 in Volume M87, page 8130, Microfilm Records of Klamath County, Oregon; re-recorded November 20, 1987 in Volume M87, page 21040, in said records, and assignment recorded April 7, 1988 in Volume M88, page 4997, said records.
47. Reservations and Restrictions as contained in Deed, subject to the terms and provisions thereof, recorded May 12, 1987 in Volume M87, page 8149, Microfilm Records of Klamath County, Oregon.
48. Easement for right of way, including the terms and provisions thereof, recorded January 30, 1990 in Volume M90, page 2053, Microfilm Records of Klamath County, Oregon.

49. PGT-PG&E Pipeline Extension Project Land Use Agreement, including the terms and provisions thereof, recorded November 13, 1992 in Volume M92, page 27048, Microfilm Records of Klamath County, Oregon.
50. Easement for telephone utilities, including the terms and provisions thereof, recorded October 31, 1994 in Volume M94, page 33693, Microfilm Records of Klamath County, Oregon.
51. Supplemental Agreement, including the terms and provisions thereof, recorded March 10, 1995 in Volume M95, page 5465, Microfilm Records of Klamath County, Oregon.
52. Easement for underground gas transmission pipeline, including the terms and provisions thereof, recorded July 21, 1995 in Volume M95, page 18873, Microfilm Records of Klamath County, Oregon, and Notice of Location, recorded November 19, 1996 in Volume M96, page 36395, Microfilm Records of Klamath County, Oregon.
53. Easement for roadway, including the terms and provisions thereof, recorded October 16, 1995 in Volume M95, page 28190, Microfilm Records of Klamath County, Oregon; Consent to Common Use, and the terms and provisions thereof, recorded April 30, 1996 in Volume M96, page 12030, in said records, and Consent and Subordination Agreement, including the terms and provisions thereof, recorded March 22, 1996 in Volume M96, page 7924, in said records.
54. Easement for underground communication lines, including the terms and provisions thereof, recorded March 15, 1996 in Volume M96, page 7001, Microfilm Records of Klamath County, Oregon.
55. Easement for roadway, including the terms and provisions thereof, recorded March 22, 1996 in Volume M96, page 7926, Microfilm Records of Klamath County, Oregon.
56. Road Use Permit, and the terms and provisions thereof, recorded March 26, 1996 in Volume M96, page 8279, Microfilm Records of Klamath County, Oregon.
57. Reservations as contained in Deed, subject to the terms and provisions thereof, recorded August 30, 1996 in Volume M96, page 26858, Microfilm Records of Klamath County, Oregon.

58. Easement for underground communications conduit, including the terms and provisions thereof, recorded December 11, 1996 in Volume M96, page 38577, Microfilm Records of Klamath County, Oregon.
59. Easement for utility and road purposes, including the terms and provisions thereof, recorded April 4, 1997 in Volume M97, page 10045, Microfilm Records of Klamath County, Oregon.
60. Terms and provisions of Lump Sum Timber Sale Agreement as disclosed in Timber Deed recorded May 31, 2001 in Volume M01, page 25012, Microfilm Records of Klamath County, Oregon, from Grantor to D. R. Johnson Lumber Company (West Side 2001), and Financing Statement recorded May 31, 2001 in Volume M01, page 25018, in said records in connection therewith.
61. Terms and provisions of Lump Sum Timber Sale Agreement as disclosed in Timber Deed recorded May 31, 2001 in Volume M01, page 25021, Microfilm Records of Klamath County, Oregon, from Grantor to Boise Cascade Corporation (Hamaker Mtn).
62. Terms and provisions of Lump Sum Timber Sale Agreement as disclosed in Timber Deed recorded August 30, 2002 in Volume M02, page 49309, re-recorded September 13, 2002 in Volume M02, page 52236, Microfilm Records of Klamath County, Oregon, from Grantor to Timber Products Company (Chicken Hill 3rd Quarter).
63. Terms and provisions of Lump Sum Timber Sale Agreement as disclosed in Timber Deed recorded November 13, 2002 in Volume M02, page 65605, Microfilm Records of Klamath County, Oregon, from Grantor to Timber Products Company (Topsy South 4th Quarter).