

04 MAY 13 PM 1:37

NJK-65218

After recording, return to:

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AMERICAN FOREST SERVICES, LLC
6400 Highway 66
Klamath Falls, OR 97601
Attention: Cathy Gray

State of Oregon, County of Klamath
Recorded 05/13/2004 1:37 p m
Vol M04 Pg 29324-27
Linda Smith, County Clerk
Fee \$ 36.00 # of Pgs 41

Until a change is requested, all
severance and harvest tax state-
ments shall be sent to Grantee
at the following address:

BC TIMBER PROPERTIES, INC.
Attn: Richard Friedman, President
78 Canterbury Court
Goshen, CT 06756

WARRANTY DEED

INLAND FIBER GROUP, LLC, a Delaware limited liability company, formerly known as U.S. TIMBERLANDS KLAMATH FALLS, L.L.C. ("Grantor"), conveys and warrants to BC TIMBER PROPERTIES, INC., a Delaware corporation ("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 \$828,300.

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.

300m

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Dated and effective as of the 13th day of May, 2004.

GRANTOR:

INLAND FIBER GROUP, LLC

By *Martin Lugus*
Martin Lugus, its Authorized Representative

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

This instrument was acknowledged before me on May 13th, 2004 by Martin Lugus as Authorized Representative of INLAND FIBER GROUP, LLC



Catherine Gray
NOTARY PUBLIC FOR Oregon
My commission expires: 5/6/08

EXHIBIT A**ALL PROPERTIES IN KLAMATH COUNTY, OREGON****TOWNSHIP 36 SOUTH, RANGE 7 EAST, W.M.**

**SECTION 31: GOVERNMENT LOTS 1, 2 AND 3; NW¼ NW¼; S½ NE¼;
 NW¼ SE¼; E½ SE¼**

**EXCEPT THAT PORTION CONVEYED TO THE STATE OF OREGON BY AND
THROUGH ITS STATE HIGHWAY COMMISSION, RECORDED JULY 11, 1952 IN
BOOK 255, PAGE 565, DEED RECORDS OF KLAMATH COUNTY, OREGON**

TOWNSHIP 37 SOUTH, RANGE 7 EAST, W.M.

SECTION 5: ALL

SECTION 6: ALL

SECTION 7: GOVERNMENT LOTS 1 THROUGH 16, INCLUSIVE

SECTION 8: N½

**SECTION 18: GOVERNMENT LOTS 2, 3 AND 4; GOVERNMENT LOT 1,
 LESS THE SOUTH 570 FEET OF THE EAST 497 FEET
 THEREOF**

**EXCEPT THAT PORTION CONVEYED TO THE STATE OF OREGON BY AND
THROUGH ITS STATE HIGHWAY COMMISSION, RECORDED OCTOBER 3, 1951
IN BOOK 250, PAGE 175, DEED RECORDS OF KLAMATH COUNTY, OREGON**

EXHIBIT B**Permitted Encumbrances**

1. All timber deeds, leases, easements and encumbrances of record, if any.
2. The rights of the public in and to any public roads and utilities.
3. All matters contained in patents and acts relating thereto.
4. Mineral reservations, exceptions and/or conveyances made by prior owners.
5. Taxes not delinquent.