

04 MAY 13 PM 1:37

MTT-65218

**After recording, return to:**

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

Vol MD4 Page 29328

**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

State of Oregon, County of Klamath  
Recorded 05/13/2004 1:37 pm  
Vol M04 Pg 29328-33  
Linda Smith, County Clerk  
Fee \$ 46.00 # of Pgs 6

## 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 \$4,100,000.

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.

4600<sup>m</sup>

649

29329

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 13<sup>th</sup>, 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 BEING IN KLAMATH COUNTY, OREGON****TOWNSHIP 36 SOUTH, RANGE 7 EAST, W.M.**

**SECTION 35: GOVERNMENT LOTS 2 AND 3; SE $\frac{1}{4}$  SE $\frac{1}{4}$**

**SECTION 36: GOVERNMENT LOT 6; S $\frac{1}{2}$  SW $\frac{1}{4}$**

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

**SECTION 1: NW $\frac{1}{4}$ ; NW $\frac{1}{4}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$**

**SECTION 2: GOVERNMENT LOTS 1, 2, 3 AND 4; NE $\frac{1}{4}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  NE $\frac{1}{4}$ ;  
NE $\frac{1}{4}$  SW $\frac{1}{4}$ ; S $\frac{1}{2}$  SW $\frac{1}{4}$ ; SE $\frac{1}{4}$**

**SECTION 3: GOVERNMENT LOT 1; NW $\frac{1}{4}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$ ;  
EAST 60 FEET OF THE NE $\frac{1}{4}$  NW $\frac{1}{4}$ ; S $\frac{1}{2}$  NW $\frac{1}{4}$ ;  
EXCEPTING THEREFROM THE FOLLOWING:  
BEGINNING AT THE NORTHEAST CORNER OF SAID S $\frac{1}{2}$   
NW $\frac{1}{4}$ ; THENCE WEST ALONG THE NORTH LINE OF SAID  
S $\frac{1}{2}$  NW $\frac{1}{4}$  TO THE NORTHWEST CORNER THEREOF; THENCE  
SOUTH ALONG THE WEST LINE OF SAID S $\frac{1}{2}$  NW $\frac{1}{4}$  TO THE  
SOUTHWEST CORNER THEREOF; THENCE NORTHEASTERLY  
ALONG A STRAIGHT LINE TO THE POINT OF BEGINNING**

**SECTION 4: THAT PORTION OF GOVERNMENT LOT 6 AND THE SE $\frac{1}{4}$   
SE $\frac{1}{4}$  LYING EASTERLY OF A STRAIGHT LINE EXTENDING  
SOUTHWESTERLY FROM THE NORTHEAST CORNER OF  
SAID GOVERNMENT LOT 6 TO THE SOUTHWEST CORNER  
OF THE SE $\frac{1}{4}$  SE $\frac{1}{4}$**

**SECTION 9: THAT PORTION OF THE E  $\frac{1}{2}$  E $\frac{1}{2}$  LYING NORTHERLY OF THAT  
PORTION DESCRIBED IN DEED TO THE STATE OF OREGON,  
BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION,  
RECORDED SEPTEMBER 22, 2003 IN VOLUME M03,  
PAGE 70477, MICROFILM RECORDS OF KLAMATH  
COUNTY, OREGON**

- SECTION 10: THAT PORTION LYING NORTHERLY OF THAT PORTION DESCRIBED IN DEED TO THE STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, RECORDED SEPTEMBER 22, 2003 IN VOLUME M03, PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON
- SECTION 11: N $\frac{1}{2}$ ; SW $\frac{1}{4}$ ; W $\frac{1}{2}$  SE $\frac{1}{4}$
- SECTION 12: ALL
- SECTION 13: ALL
- SECTION 14: NW $\frac{1}{4}$  NE $\frac{1}{4}$ ; S $\frac{1}{2}$  NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; N $\frac{1}{2}$  SW $\frac{1}{4}$ ; THAT PORTION OF SW $\frac{1}{4}$  SW $\frac{1}{4}$  LYING NORTHERLY OF THAT PORTION DESCRIBED IN DEED TO THE STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, RECORDED SEPTEMBER 22, 2003 IN VOLUME M03, PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON; SE $\frac{1}{4}$  SW $\frac{1}{4}$ ; SE $\frac{1}{4}$
- SECTION 15: THAT PORTION LYING NORTHERLY OF THAT PORTION DESCRIBED IN DEED TO THE STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, RECORDED SEPTEMBER 22, 2003 IN VOLUME M03, PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON
- SECTION 23: THAT PORTION LYING NORTHERLY OF THAT PORTION DESCRIBED IN DEED TO THE STATE OF OREGON, BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION, RECORDED SEPTEMBER 22, 2003 IN VOLUME M03, PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY, OREGON
- SECTION 24: GOVERNMENT LOTS 1, 2, 3, 4 AND 5; E $\frac{1}{2}$  NW $\frac{1}{4}$ ; W $\frac{1}{2}$  W $\frac{1}{2}$
- SECTION 25: THAT PORTION OF GOVERNMENT LOTS 1 AND 2 AND NW $\frac{1}{4}$  NW $\frac{1}{4}$  LYING NORTHERLY OF THAT PORTION DESCRIBED IN DEED TO THE STATE OF OREGON, BY AND

THROUGH ITS DEPARTMENT OF TRANSPORTATION,  
RECORDED SEPTEMBER 22, 2003 IN VOLUME M03,  
PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY,  
OREGON

SECTION 26: THAT PORTION OF NE¼ NE¼ LYING NORTHERLY OF THAT  
PORTION DESCRIBED IN DEED TO THE STATE OF OREGON,  
BY AND THROUGH ITS DEPARTMENT OF TRANSPORTATION,  
RECORDED SEPTEMBER 22, 2003 IN VOLUME M03,  
PAGE 70477, MICROFILM RECORDS OF KLAMATH COUNTY,  
OREGON

**TOWNSHIP 37 SOUTH, RANGE 8 EAST, W.M.**

SECTION 6: GOVERNMENT LOTS 3 AND 4; SW¼ SW¼

SECTION 7: GOVERNMENT LOTS 1 AND 2; W½; SW¼ NE¼; SE¼

SECTION 8: GOVERNMENT LOTS 1, 2 AND 3; SW¼ SW¼; LESS  
PORTIONS SOUTH OF MEAN HIGH WATER LINE OF  
UPPER KLAMATH LAKE AND LESS TRACT DESCRIBED  
IN VOLUME M96, PAGE 25715, MICROFILM RECORDS OF  
KLAMATH COUNTY, OREGON

SECTION 17: A PORTION OF GOVERNMENT LOTS 1 AND 2 LESS  
PORTIONS SOUTH OF MEAN HIGH WATER LINE OF  
UPPER KLAMATH LAKE AND LESS TRACT DESCRIBED  
IN VOLUME M96, PAGE 25715, MICROFILM RECORDS OF  
KLAMATH COUNTY, OREGON

SECTION 18: GOVERNMENT LOTS 1, 2, 3 AND 4 LYING NORTH OF MEAN  
HIGH WATER LINE OF UPPER KLAMATH LAKE; NW¼ SW¼;  
S½ NW¼; N½ N½

SECTION 19: GOVERNMENT LOT 1

**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.