

MIDLAND TITLE CO.

1103499

WARRANTY DEED

MERWIN RANCHES, INC., an Oregon Corporation, Grantor, conveys and warrants to GUTIERREZ CATTLE COMPANY, an Oregon corporation, Grantee, the following described real property free of encumbrances except as specifically set forth herein, situated in Crook County, State of Oregon:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

SUBJECT TO: (1) 1988-1989 taxes which are a lien, but not yet payable. (2) Reservation of all minerals contained in Patents from the United States of America as to the following described property:

In Township 16 South, Range 22 East of the Willamette Meridian:

- Section 12: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$.
- Section 14: E $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$ NW $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{2}$.
- Section 20: All.
- Section 22: S $\frac{1}{2}$ S $\frac{1}{2}$.
- Section 26: SW $\frac{1}{2}$ NW $\frac{1}{2}$, W $\frac{1}{2}$ SW $\frac{1}{2}$, SE $\frac{1}{2}$ SW $\frac{1}{2}$, S $\frac{1}{2}$ SE $\frac{1}{2}$.

(3) Reservation of all minerals contained in deeds from the State of Oregon as to the following described property:

In Township 16 South, Range 21 East of the Willamette Meridian:

- Section 36: All.

In Township 16 South, Range 22 East of the Willamette Meridian:

- Section 36: SW $\frac{1}{2}$.

(4) Reservation of all minerals contained in deeds from Oregon & Western Colonization Company as to the following described property:

In Township 16 South, Range 21 East of the Willamette Meridian:

- Section 23: All.
- Section 25: All.
- Section 27: All.
- Section 35: All.

In Township 16 South, Range 22 East of the Willamette Meridian:

- Section 9: All.
- Section 17: All.
- Section 31: All.

(5) Reservations contained in deeds from Oregon & Western Colonization Company, as recorded in book 41 of Deeds at page 613, Book 42 of Deeds at page 250, Book 52 of Deeds at page 153, Book 53 of Deeds at page 569 and Book 55 of Deeds at page 463, records of Crook County, Oregon. (6) Rights of way granted to the United States of America, as set out in Book 48 of Deeds at page 16, Book 48 of Deeds at page 506, Book 71 of Deeds at page 113 and Book 84 of Deeds at page 129 records of Crook County, Oregon. (7) Rights of way and easements for pole lines granted to Central Electric Cooperative, Inc., as recorded in Book 66 of Deeds at

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page 383, Book 66 of Deeds at page 389, and Book 66 of Deeds at page 401, records of Crook County, Oregon.

(8) An easement for telephone lines granted to Telephone Utilities of Eastern Oregon as recorded May 21, 1981, in Deed Records MF No. 60211, records of Crook County, Oregon. (9) Subject to the prior sale of all merchantable timber on the West half, and the West half of the East half of Section 31 in Twp. 15 South, Range 23 E.W.M., the West Half of the Northwest quarter of Section 21, the East half of Section 29, and all of Sections 25 and 36 in Twp. 15 South, Range 22 E.W.M., from George J. Isadore to Midstate Lumber & Supply Co., a co-partnership, by agreement recorded in Book 70 of Deeds at page 37, records of Crook County, Oregon. (10) Subject to the prior sale of all merchantable timber on the Southeast quarter of Section 31 in Township 15 South, Range 22, E.W.M., from George J. Isadore to Midstate Lumber & Supply Co., a co-partnership, by agreement recorded in Book 71 of Deeds at page 62, records of Crook County, Oregon. (11) Terms and conditions of an oil and gas lease between Gale H. Merwin and Kathryn Mabel Merwin, husband and wife, as lessors, and Texaco Inc., as lessee, recorded July 22, 1970, in Book 103 of Deeds at page 84, records of Crook County, Oregon. (12) Terms and conditions of an oil and gas lease between Oregon & Western Colonization Company, as lessor and Texaco, Inc., as lessee, recorded September 1, 1970, in Book 103 of Deeds at page 288, records of Crook County, Oregon. (13) Terms and conditions of an oil and gas lease between Gale H. Merwin and Kathryn Mabel Merwin, husband and wife, as lessor and Texaco, Inc., as lessee, recorded November 4, 1970, in Book 103 of Deeds at page 552, records of Crook County, Oregon; together with a partial surrender as recorded August 12, 1985, in Deed Records MF No. 76794, records of Crook County, Oregon. (14) Terms and conditions of an oil and gas lease between Sarah Davidson Wangensteen and C. M. Bend, Jr., Trustees, under certain trust dated March 1 1980, as lessor and Texaco Inc., as lessee as evidenced by memorandum of lease recorded March 26, 1981, in Deed Records MF No. 59455, records of Crook County, Oregon. (15) Terms and conditions of an oil and gas lease between Merwin Ranches, Inc., as lessor and Brazos Petroleum Company, as lessee, recorded December 28, 1981, in Deed Records MF No. 63179, records of Crook County, Oregon. Together with assignments or partial assignments thereof by the lessee and its assigns, recorded in deed records MF No's 64027, 75172 and 75173, records of Crook County, Oregon. (16) Taxes for the year 1987-1988 and possible prior years have been farm deferred pursuant to ORS 308.370 and 308.403. These, plus earned interest are due and payable when said reason for the deferment no longer exists. Any deferred taxes hereafter becoming due and payable will be the obligation of grantee. (17) Property is zoned or classified as timberland and is subject to potential additional tax liability. Any deferred taxes hereafter becoming due and payable will be the obligation of grantee. (18) Any uncertainty as to the location of the division lines when the property is described in halves and that property is located in sections containing government lots and the section is therefor irregular. (19) The Rights of the public in and to the surface and the land below the high water mark of Crooked River

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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.

The true and actual consideration for this conveyance is \$1,500,000.00.

Unless a change is requested, all tax statements shall be sent to Grantee at the following address:

Agriculture Industries
Box 1076, West Hills, Calif 95691

DATED this 14 day of July, 1988.

MERWIN RANCHES, INC.

By _____
President

By *Kathryn M. Merwin*
Secretary

STATE OF OREGON)

) ss.

County of Crook)

On this 14 day of July, 1988, personally appeared the above named GALE H. MERWIN and KATHRYN M. MERWIN, president and secretary respectively of MERWIN RANCHES INC., an Oregon corporation, and acknowledged the foregoing instrument to be the voluntary act and deed of said corporation.

M. Phillip Schwab
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6/27/89



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EXHIBIT "A"

TRACT I:

IN TOWNSHIP 15 SOUTH OF RANGE 22 EAST OF THE WILLAMETTE MERIDIAN:

- Section 21: The West half of the Northwest quarter.
- Section 25: All.
- Section 29: The East half.
- Section 31: The Southeast quarter.
- Section 34: The Southeast quarter of the Southeast quarter.
- Section 35: The Southwest quarter of the Southwest quarter.
- Section 36: All.

IN TOWNSHIP 15 SOUTH OF RANGE 23 EAST OF THE WILLAMETTE MERIDIAN:

- Section 31: The West half, and the West half of the East half.

IN TOWNSHIP 16 SOUTH OF RANGE 22 EAST OF THE WILLAMETTE MERIDIAN:

- Section 2: The West half of the West half.
- Section 3: The East half of the East half.
- Section 9: All.
- Section 11: All.
- Section 12: The East half of the West half, and the East half.
- Section 14: The West half of the Northwest quarter, the East half of the Northeast quarter, and the South half.
- Section 15: All.
- Section 16: All.
- Section 17: All.
- Section 19: All.
- Section 20: All.
- Section 21: All.
- Section 22: The South half of the Northwest quarter, the Northeast quarter, and the South half.
- Section 23: All.
- Section 25: All.
- Section 26: The Northwest quarter, the West half of the Northeast quarter, the Southeast quarter of the Northeast quarter, and the South half.
- Section 27: All.
- Section 29: All.
- Section 30: The Southwest quarter of the Northwest quarter, the West half of the Southwest quarter, and the Northeast quarter of the Southwest quarter.
- Section 33: All.
- Section 35: All.
- Section 36: The West half.

IN TOWNSHIP 16 SOUTH OF RANGE 23 EAST OF THE WILLAMETTE MERIDIAN:

- Section 18: The Northwest quarter, the East half of the Southwest quarter, and the West half of the Southeast quarter.

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TRACT II:

IN TOWNSHIP 16 SOUTH OF RANGE 21 EAST OF THE WILLAMETTE MERIDIAN:

Section 23: All.
Section 25: All.
Section 27: All.
Section 35: All.
Section 36: All.

IN TOWNSHIP 16 SOUTH OF RANGE 22 EAST OF THE WILLAMETTE MERIDIAN:

Section 31: Lots 1, 2, 3, and 4, the East half of the West half, and the East half.
Section 32: The Northeast quarter of the Southwest quarter, the South half of the Southwest quarter, and the Southwest quarter of the Southeast quarter.

IN TOWNSHIP 17 SOUTH OF RANGE 21 EAST OF THE WILLAMETTE MERIDIAN:

Section 1: Lots 1, 2, 3, and 4, the South half of the North half, and the South half.
Section 2: The South half of the South half.
Section 3: Lots 1, 2, 3 and 4, the South half of the North half, and the South half.
Section 11: The North half of the North half.

IN TOWNSHIP 17 SOUTH OF RANGE 22 EAST OF THE WILLAMETTE MERIDIAN:

Section 5: All.
Section 6: Lots 5 and 6, the Southeast quarter of the Northwest quarter, the Northeast quarter of the Southwest quarter, the West half of the Northeast quarter, and the North half of the Southeast quarter.

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STATE OF OREGON }
COUNTY OF CROOK } SS 88037

I CERTIFY THAT THE WITHIN INSTRUMENT WAS
RECEIVED FOR RECORD ON THE 15th DAY OF
July 19 88 AT 3:45 P.M.

AND RECORDED IN DEEDS
RECORDS OF SAID COUNTY, MF NO. 88037
DELLA M. HARRISON, CROOK COUNTY CLERK

BY: *[Signature]* DEPUTY

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