

THIS INSTRUMENT WAS PREPARED BY
AND UPON RECORDING RETURN TO:

Klamath County

Morrison & Foerster LLP
425 Market Street
San Francisco, CA 94105-2482
Attention: Keith C. Wetmore, Esq.

MTC - 41764

Maximum Principal Amount to be Advanced
Pursuant to Credit Agreement: \$285,000,000
Maturity Date of the Credit Agreement Is: June 30, 2004

**LINE OF CREDIT DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, FINANCING STATEMENT
AND FIXTURE FILING
(Oregon)**

Dated as of July 14, 1997

Among

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C.
as Grantor,

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION,
as Beneficiary,

and

CHICAGO TITLE INSURANCE COMPANY,
as Trustee

THIS DOCUMENT IS TO BE FILED IN THE REAL ESTATE RECORDS AS A FIXTURE FILING AND FINANCING STATEMENT COVERING TIMBER AND FIXTURES LOCATED ON THE REAL PROPERTY DESCRIBED ON EXHIBIT A HERETO AND ALSO COVERING ALL ACCOUNTS AND INTANGIBLES RELATED THERETO. PRODUCTS OF THE AFOREMENTIONED ARE ALSO SECURED HEREBY.

TABLE OF CONTENTS

	Page
A Credit Agreement, Loans and Notes	1
B Related Documents	2
C The Obligations	2
D The Collateral	3
ARTICLE I COVENANTS AND AGREEMENTS OF GRANTOR	7
1.1 Payment Of Obligations	7
1.2 Payment Of Taxes	7
1.3 Maintenance, Management And Operations Of Timberland And Other Collateral	8
1.4 Sales; Liens	11
1.5 Access By Beneficiary	11
1.6 Stamp And Other Taxes	11
1.7 Insurance	12
1.8 Eminent Domain	14
1.9 Governmental Requirements And Authorizations	15
1.10 No Construction Liens	15
1.11 Continuing Priority	16
1.12 Utilities	16
1.13 Contract Maintenance; Other Agreements; Leases	16
1.14 Notify Beneficiary Of Event of Default	17
1.15 Assignments; Future Leases	17
1.16 Assignment Of Leases And Rents And Collections	17
1.17 Trustee's Or Beneficiary's Performance	18
1.18 Subrogation	19
1.19 Hazardous Material	19
1.20 Reserve For Taxes, Assessments And Insurance	19
1.21 Appointment Of Successor Trustee	21
1.22 Trustee's Powers	21
1.23 Beneficiary's Powers	21
1.24 Limitations On Cutting	22
1.25 Limitations Of Use	23
1.26 Confirmatory Releases	23
1.27 Timber Agreements	24

TABLE OF CONTENTS (Cont'd)

	Page
ARTICLE II DEFAULT.....	24
2.1 Related Documents.....	24
2.2 Provisions Of This Deed Of Trust.....	24
ARTICLE III REMEDIES.....	24
3.1 Acceleration.....	24
3.2 Remedies Cumulative.....	24
3.3 Sale Of The Collateral.....	25
3.4 Possession Of Premises, Remedies Under the Credit Agreement, Notes And Related Documents.....	26
3.5 Receiver.....	26
3.6 Purchase By Beneficiary.....	27
3.7 Remedies For Leases And Rents.....	27
3.8 Personal Property.....	29
3.9 Performance Of Third Party Agreements And Timber Agreements.....	29
3.10 No Liability On Beneficiary.....	29
ARTICLE IV GENERAL.....	30
4.1 Permitted Acts.....	30
4.2 Legal Expenses.....	30
4.3 Related Documents.....	30
4.4 Security Agreement, Fixture Filing.....	30
4.5 Defeasance.....	31
4.6 Notices.....	31
4.7 Successors; Grantor; Gender.....	32
4.8 Care By Beneficiary.....	32
4.9 No Obligation On Beneficiary.....	33
4.10 No Waiver; Writing.....	33
4.11 Governing Law.....	33
4.12 Waiver.....	33
4.13 No Merger.....	34
4.14 Beneficiary Not Joint Venturer Or Partner.....	34
4.15 Time Of Essence.....	34
4.16 No Third Party Benefits.....	34
4.17 Trustee; Successor Trustee; Exculpation.....	34
4.18 Invalidity Of Certain Provisions.....	35
4.19 Trust Irrevocable; No Claim.....	35
4.20 Further Acts; Cooperation.....	35
4.21 Written Agreements.....	35

TABLE OF CONTENTS (Cont'd)

Page

Exhibit A - Description of the Land
Exhibit B - Contracts for Sale

INDEX OF DEFINITIONS

Definition	Section
Agent	Recital A
Applicable Rate	Section 1.7
Approved Timber Inventory	Section 1.30
Authorizations	Recital D
Banks	Recital A
Beneficiary	Preamble
Collateral	Recital D
Company Security Agreement	Section 1.11
Condemnation Awards	Section 1.8
Consultant	Section 1.23
Contracts for Construction	Recital D
Contracts for Sale	Recital D
Credit Agreement	Recital A
Cutting Rights Agreement	Recital D
Deed of Trust	Preamble
Development Rights	Recital D
Event of Default	Article 2
Goods	Recital D
Grantor	Preamble
Harvesting Contracts	Recital D
Hazardous Material	Section 1.19
Improvements	Recital D
Intangibles	Recital D
Land	Recital D
Leases	Recital D
Loan Amount	Recital D
Loans	Recital A
Mineral Rights	Recital A
Minerals	Recital D
Notes	Recital D
Obligations	Recital A
Permitted Title Exceptions	Recital C
Plins	Grant
Premises	Recital D
Real Estate	Recital D
Related Documents	Recital D
Rents	Recital B
Third Party Agreements	Recital D
Timber	Section 1.13
Timber Agreements	Recital D
Timber Harvesting Plan	Recital D
	Section 1.24

INDEX OF DEFINITIONS (Cont'd)

Definition

Section

Timber Sales Agreements

Recital D

Timberland

Recital D

Trustee

Preamble

Unmatured Event of Default

Section 1.7

UCC

Section 3.4

**LINE OF CREDIT DEED OF TRUST, ASSIGNMENT OF LEASES
AND RENTS, SECURITY AGREEMENT, FINANCING
STATEMENT AND FIXTURE FILING**

THIS LINE OF CREDIT DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, FINANCING STATEMENT AND FIXTURE FILING (herein sometimes called "*Deed of Trust*") is made as of July 14, 1997, by U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company (herein, together with its successors and assigns, the "*Grantor*"), to and in favor of, CHICAGO TITLE INSURANCE COMPANY, a title company existing under the laws of the State of Missouri (herein, together with its successors and assigns, the "*Trustee*"), for the benefit of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, not in its individual capacity, but solely in its capacity as the Agent on behalf and for the benefit of the Banks, as such term is defined in Recital A below (herein, together with its successors and assigns, the "*Beneficiary*").

RECITALS

A. Credit Agreement, Loans And Notes.

Pursuant to that certain Credit Agreement dated as of even date herewith (as the same may hereafter from time to time be amended, modified, supplemented or restated, the "*Credit Agreement*"), by and among the Grantor, as the borrower, U.S. Timberlands Services Company, L.L.C., a Delaware limited liability company ("*Services*"), financial institutions from time to time party thereto and named as Banks thereunder (each a "*Bank*", and collectively, the "*Banks*"), and the Beneficiary, not in its individual capacity, but solely in its capacity as Agent on behalf of and for the benefit of the Banks (in such capacity, the "*Agent*"), the Grantor has agreed to repay to the Beneficiary, among other obligations, the Refinance Loan, the Acquisition Loan, the Swingline Loan, the Revolving Loan and the L/C Obligations (as such terms are defined in the Credit Agreement, and collectively, the "*Loans*"), which Loans have an aggregate maximum stated principal amount of \$285,000,000.00. Any one or more of the Loans may be evidenced by one or more Notes (as such term is defined in the Credit Agreement, and together with any and all amendments or supplements thereto, extensions thereof, and notes which may be taken in whole or partial renewal, replacement substitution or extension thereof, collectively, "*Notes*"), and shall bear interest on the principal amount thereof from time to time outstanding as provided in the Credit Agreement and any applicable Notes. All principal and interest on the Loans and any Notes is payable in lawful money of the United States of America at the address and account designated to the Grantor by the Beneficiary in writing. The Loans and any Notes are payable at the times, subject to earlier prepayment, repayment or acceleration, as set forth in the Credit Agreement and such Notes. The stated final maturity date of the Loans and any Notes is June 30, 2004. The Grantor is or will become justly indebted to the Banks in the amount of the Obligations (solely for purposes of this Recital A as defined in the Credit Agreement) evidenced by the Credit Agreement and any Notes (the "*Loan Amount*") in accordance with their respective terms. Unless otherwise defined herein or defined by reference to other documents or instruments, terms used herein which are defined in or defined by reference to other documents or

instruments in the Credit Agreement shall have the same meanings when used herein as such terms have therein.

B. Related Documents.

The Credit Agreement, any Notes, this Deed of Trust, each of the other Company Collateral Documents (all such agreements as defined in the Credit Agreement), each other instrument and agreement executed and/or delivered by the Grantor pursuant to the Credit Agreement or otherwise in connection herewith, (including any Rate Contracts entered into with any Bank pursuant to Section 8.7 of the Credit Agreement, but excluding the Environmental Indemnity), and any and all other documents pursuant to which a Lien is granted to the Beneficiary by the Grantor as security for any of the Obligations (solely for the purpose of this Recital B as defined in the Credit Agreement), as the same may be amended, modified, supplemented or restated from time to time, and any other documents and instruments executed and delivered by the Grantor (excluding the Environmental Indemnity), whether pursuant to the terms of the Credit Agreement or otherwise, in connection with the Loans or any Notes or as security therefor, or for the purpose of amending, modifying, supplementing or restating all or any of the foregoing, all of which, as the same may be amended, modified, supplemented or restated from time to time, are hereinafter referred to as the "*Related Documents*".

C. The Obligations.

As used in this Deed of Trust (other than in Recitals A and B, above) the term "*Obligations*" means and includes all of the following: (i) all obligations of the Grantor to the Banks and the Beneficiary and their and its successors and assigns under or in connection with the Credit Agreement, the Loans, any Notes or any of the other Related Documents (and shall include, without limitation, the Obligations as such term is defined in the Credit Agreement) and (ii) all other obligations of the Grantor to the Beneficiary related to the Credit Agreement and the transactions contemplated thereby (including any Rate Contracts entered into with any Bank pursuant to Section 8.7 of the Credit Agreement, but excluding the Environmental Indemnity), in each case howsoever created, arising or evidenced, whether direct or indirect, joint or several, absolute or contingent, or now or hereafter existing, or due or to become due, including, without limitation, all indebtedness of any kind arising under, and all amounts of any kind which at any time become due or owing to the Beneficiary under or with respect to, this Deed of Trust, all of the covenants, obligations and agreements (and the truth of all representations and warranties to the Beneficiary) in, under or pursuant to the Loans, any Notes, this Deed of Trust, and the other Related Documents, any and all advances, costs or expenses paid or incurred by the Beneficiary or the Trustee to protect any or all of the Collateral (hereinafter defined) and other collateral under the Related Documents, to perform any obligation of the Grantor hereunder and any obligation of the Grantor under the Related Documents or collect any amount owing to the Beneficiary which is secured hereby or under the Related Documents; interest on all of the foregoing, and all costs of enforcement and collection of this Deed of Trust, the Related Documents and the Obligations.

D. The Collateral.

For purposes of this Deed of Trust, the term "*Collateral*" means and includes all right, title and interest of the Grantor in and to all of the following, whether now owned or existing or hereafter acquired:

(a) **Real Estate.** All of the land described on *Exhibit A* attached hereto (the "*Land*"), together with all tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise appertaining to the Land (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all Development Rights (hereinafter defined), water, water stock, water wells, reservoirs, pump stations, water rights, water courses, Minerals and Mineral Rights (both as hereinafter defined) and other substances of any kind or character underlying or relating to the Land; all estate, claim, demand, right, title or interest of the Grantor in and to any street, road, highway, or alley (vacated or otherwise) adjoining the Land or any part thereof; all strips and gores belonging, adjacent or pertaining to the Land; and any after-acquired title to any of the foregoing (collectively, the "*Real Estate*");

(b) **Improvements And Fixtures.** All buildings, structures, replacements, furnishings, fixtures, fittings and other improvements and property of every kind and character now or hereafter located or erected on the Real Estate and owned or purported to be owned by the Grantor, together with all building or construction materials, equipment, appliances, machinery, plant equipment, fittings, apparatus, fixtures and other articles of any kind or nature whatsoever now or hereafter found on, affixed to or attached to the Real Estate and owned or purported to be owned by the Grantor, including (without limitation) all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment (collectively, the "*Improvements*");

(c) **Personal Property.** All Timber (as defined below), all furniture, furnishings, equipment (including, without limitation, telephone and other communications equipment, window cleaning, building cleaning, monitoring, garbage, air conditioning, pest control and other equipment), all inventory, including, without limitation, all goods, merchandise, raw material, work in progress, finished goods and supplies, and all other tangible property of any kind or character now or hereafter owned or purported to be owned by the Grantor and used or useful in connection with the Real Estate, including, without limitation, all rights of the Grantor under any lease of furniture, furnishings, fixtures and other items of personal property located on the Real Estate at any time during the term of such lease, and all rights under and to all payments and deposits required by the provisions of Section 1.20 of Article I below (collectively, the "*Goods*");

(d) **Intangibles.** All goodwill, trademarks, trade names, option rights, purchase contracts, books and records and general intangibles of the Grantor relating to the Real Estate, the Improvements or the Goods and all accounts, contract rights (other than Timber Agreements (as defined below) and included within the Collateral), instruments, chattel paper and other rights of the Grantor for payment of money to it for property sold or lent by it, for services rendered by it, for money lent by it, or for advances or deposits made by it, and any other general

intangibles of the Grantor, whether or not related to the Real Estate, Improvements or the Goods, (collectively, the *"Intangibles"*).

(e) **Rents.** All rents, issues, profits, royalties, avails, income and other benefits derived or owned by the Grantor directly or indirectly from the Real Estate, the Improvements or the Goods (collectively, the *"Rents"*);

(f) **Leases.** All rights of the Grantor under all leases, subleases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whether now existing or entered into at any time hereafter, whereby any Person agrees to pay money to the Grantor or any consideration for the use, possession or occupancy of, or any estate in, the Real Estate or the Improvements or any part thereof, and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (collectively, the *"Leases"*);

(g) **Plans.** All rights of the Grantor, if any, to plans and specifications, designs, drawings and other matters prepared in connection with the Real Estate (collectively, the *"Plans"*);

(h) **Contracts For Construction Or Services.** All rights of the Grantor, if any, under any contracts executed by the Grantor with any provider of goods or services for or in connection with any construction undertaken on, or services performed or to be performed in connection with, the Real Estate or the Improvements, including any architect's contract (all of the foregoing is herein referred to, collectively, as the *"Contracts for Construction"*);

(i) **Contracts For Sale Or Financing.** All rights of the Grantor, if any, as seller or borrower under any agreement, contract, option, understanding or arrangement (excluding this Deed of Trust and the Related Documents) pursuant to which the Grantor has, with the prior written consent of the Beneficiary, obtained the agreement of any Person to pay or disburse any money for the Grantor's sale (or borrowing on the security) of the Collateral or any part thereof (all of the foregoing is herein referred to, collectively, as the *"Contracts for Sale"*) and all proceeds thereof;

(j) **Timber.** All crops and all trees, timber to be cut from the Land or otherwise, timber, whether growing or dead, mature or immature, severed or unsevered, and including standing and down timber, stumps and cut timber remaining on the Land or otherwise, seedlings, plantings, Christmas trees, and logs, wood chips, pulp and other forest, timber or pulp products, whether now located on or hereafter planted or growing in or on the Land or otherwise (all Land secured hereunder which is suitable for timber production is referred to herein as *"Timberland"*) or now or hereafter removed from the Land or otherwise for sale or other disposition (collectively, the *"Timber"*);

(k) **Timber Agreements.** All agreements, contracts, arrangements or other contractual obligations, whether now existing or hereafter entered into, whereby the Grantor or its predecessors in interest have granted, grant or will grant to third Persons the right to cut, harvest, load, chip, haul or otherwise remove Timber from the Land (to the extent the Grantor has an interest in such rights) (collectively the *"Cutting Rights Agreements"*) and all timber sales

agreements, log sales agreements, purchase orders, purchase and sale agreements and other contractual obligations, whether now existing or hereafter entered into, whereby the Grantor, as seller, is or may become obligated, either directly or through any agreement, contract, arrangement or other contractual obligation with any third Person, including any Affiliate or any independent contractor, to cut, harvest, load, chip, haul or otherwise remove Timber harvested from the Land or to otherwise obtain Timber and to sell, exchange or deliver such Timber to third Persons (collectively the *"Timber Sales Agreements"*), and all agreements, contracts or other contractual obligations, whether now existing or hereafter entered into, whereby third Persons have granted or will grant to the Grantor the right to cut, harvest, load, chip, haul or otherwise remove Timber from real property not owned by the Grantor at the pertinent time and all other rights of the Grantor to cut, harvest, load, chip, haul or otherwise remove Timber from real property not owned by the Grantor at the time in question (collectively, the *"Harvesting Contracts"*); together the Cutting Rights Agreements, Timber Sales Agreements, and Harvesting Contracts are collectively referred to as the *"Timber Agreements"*).

(i) **Minerals And Mineral Rights.** All of the Grantor's right, title and interest in and to the water, steam, thermal energy and other geothermal resources and all oil, gas, hydrocarbons, gravel, phosphate, limerock, coal and other mineral resources and subterranean substances, and all existing or hereafter acquired surface and subsurface water and water rights and shares of stock evidencing the same, and all products thereof in, on, under or pertaining to the Land (the *"Minerals"*) and all of the Grantor's right, title and interest in and to the surface access and mining or drilling rights in, on, under or pertaining to the Land and all royalty, leasehold and other rights of the Grantor pertaining thereto, and all agreements providing for the payment to the Grantor of royalties (including overriding royalties) or other payments derived from any part of the Land and all production payments, farm-out agreements, unit agreements and other similar agreements and rights pertaining thereto (collectively, the *"Mineral Rights"*) and all royalty, leasehold and other contractual rights of the Grantor pertaining to the Minerals;

(m) **Development Rights.** All air rights, development rights, zoning rights or other similar rights or interests which benefit or are appurtenant to the Land or the Improvements or any or all thereof and any proceeds arising therefrom (collectively, the *"Development Rights"*);

(n) **Authorizations.** Any and all permits, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, building permits, subdivision approvals, timber harvesting plan reviews and approvals, site plan reviews, environmental approvals (including an environmental impact statement or report if required under applicable law for the Grantor's acquisition or disposition of the Land or harvesting of the Timber or for any other operations of the Grantor relating to the Real Estate), sewer and waste discharge permits, water appropriative rights and permits, zoning and land use entitlements and other authorizations, whether now existing or hereafter issued to or obtained by or on behalf of the Grantor that relate to or concern in any way the acquisition, ownership, development, occupancy, use, operation, maintenance, management, restoration or disposition of all or any part of the Land and all related appurtenances, the Improvements, the Timber, the Minerals, the Mineral Rights, the Development Rights, and that are given or issued by any governmental agency or quasi-governmental authority

as the same may be modified, amended or supplemented from time to time (collectively, the "Authorizations");

(o) **Proceeds.** All products, offspring, rents, issues, profits, returns, income and proceeds of and from any and all of the foregoing Collateral and, to the extent not otherwise included, all payments under insurance (whether or not the Beneficiary is the loss payee thereof), or any indemnity, warranty or guaranty, payable by reason of loss or damage to or otherwise with respect to any of the foregoing Collateral), all payments (in any form whatsoever) made or due to the Grantor from time to time in connection with any requisition, confiscation, condemnation, seizure or forfeiture of all or any part of the Collateral by any governmental body, authority, bureau or agency (or any Person acting under color of governmental authority) and all other amounts from time to time paid or payable under or in connection with any of the Collateral (collectively, the "Proceeds"); and

(p) **Other Property.** All other property or rights of the Grantor of any kind or character related to the Real Estate or the Improvements, the Timber, the Minerals, the Mineral Rights, the Development Rights, the Timber Agreements, the Authorizations and all proceeds (including insurance and condemnation proceeds) and products of any of the foregoing. (All of the Real Estate, the Timber, the Minerals, and the Improvements, and any interests, estates, or claims, both in law and in equity, which the Grantor now has or may hereafter acquire through the Mineral Rights, Development Rights, and Timber Agreements, and any other property on or appurtenant to the Real Estate which is real estate under applicable law, is sometimes referred to collectively herein as the "Premises").

GRANT

NOW, THEREFORE, for and in consideration of the Banks' making any loan, advance or other financial accommodation to or for the benefit of the Grantor, including sums advanced under the Loans or any Notes, and of the Agent's agreeing to act in such capacity on behalf of the Banks, and in consideration of the various agreements contained herein, in the Credit Agreement, any Notes and the other Related Documents, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Grantor, and in order to secure the full, timely and proper payment and performance of each and every one of the Obligations,

THE GRANTOR HEREBY WARRANTS, CONVEYS, TRANSFERS AND ASSIGNS TO THE TRUSTEE, AND GRANTS TO THE TRUSTEE AND ITS SUCCESSORS AND ASSIGNS FOREVER IN TRUST, WITH POWER OF SALE, SUBJECT TO THE BENEFICIARY'S RIGHT, POWER AND AUTHORITY HEREUNDER TO COLLECT AND APPLY THE RENTS, THE GRANTOR'S RIGHT, TITLE, INTEREST, CLAIM AND DEMAND IN AND TO THE COLLATERAL, FOR THE USE AND BENEFIT OF THE BENEFICIARY AND ITS SUCCESSORS AND ASSIGNS AND TO SECURE THE FULL, COMPLETE AND INDEFEASIBLE PAYMENT AND PERFORMANCE OF ALL THE OBLIGATIONS.

TO HAVE AND TO HOLD the Premises unto the Trustee, its successors and assigns, forever, hereby expressly waiving and releasing any and all right, benefit, privilege, advantage or

exemption under and by virtue of any and all statutes and laws of the state or other jurisdiction in which the Real Estate is located providing for the exemption of homesteads from sale on execution or otherwise.

The Grantor hereby covenants with and warrants to the Trustee and the Beneficiary and with the purchaser at any sale: that at the execution and delivery hereof it is well seized of the Premises, and of a good, indefeasible estate therein, and as to the Real Estate, in fee simple; that the Collateral is free from all Liens whatsoever (and any claim of any other Person thereto) other than the interest granted herein to the Trustee and pursuant to the Related Documents and Permitted Title Exceptions set forth in Section 9.1(c) of the Credit Agreement (collectively, the "*Permitted Title Exceptions*"); that it has good and lawful right to sell, and convey by deed of trust and convey the Collateral; and that it and its successors and assigns will forever warrant and defend the Collateral against all claims and demands whatsoever with the exception of the Permitted Title Exceptions.

ARTICLE I

COVENANTS AND AGREEMENTS OF GRANTOR

Further to secure the payment and performance of the Obligations, the Grantor hereby covenants and agrees with and warrants to the Beneficiary as follows:

1.1 Payment Of Obligations. The Grantor agrees that it will pay, timely and in the manner required in the appropriate documents or instruments, all amounts due under the Loans in accordance with the Credit Agreement or any Notes and all other Obligations (including fees and charges). All sums payable by the Grantor hereunder shall be paid without demand, counterclaim, offset, recoupment, deduction or defense the Grantor waives all rights now or hereafter conferred by statute or otherwise to any such demand, counterclaim, offset, recoupment, deduction or defense.

1.2 Payment Of Taxes. The Grantor will pay or cause to be paid before they become delinquent all taxes and assessments, general or special, and any and all levies, claims, expenses, liens, and other Charges ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith, and will pay before they become delinquent any tax or other charge on the interest or estate in lands created or represented by this Deed of Trust or by any of the Related Documents, whether levied against the Grantor, the Trustee, the Beneficiary or otherwise, and will submit to the Beneficiary, upon the Beneficiary's request, a quarterly report showing payment of all of such taxes, assessments and charges for the quarter; *provided, however*, that the Grantor shall not (unless otherwise required by law) be required to pay any such taxes, assessments, levies, claims, expenses, liens or other Charges which are being contested in good faith and by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP so long as forfeiture of any part of the Collateral will not result from the failure of the Grantor to pay any such taxes, assessments, levies, claims, expenses, liens or other Charges during the period of any such contest. The Grantor's making

any payments and deposits required by the provisions of Section 1.20 of this Article I shall not relieve the Grantor of, or diminish in any way, its obligations as set out in this Section 1.2.

1.3 Maintenance, Management And Operations Of Timberland And Other Collateral. The Grantor (i) shall manage and operate the Timberlands, Timber and other Premises in accordance with good forest management practices and shall operate and keep the Improvements in good condition and repair, (ii) shall keep the Improvements in good order, repair and condition, and shall not remove, demolish or materially alter any of the Improvements material to the operation of the Grantor's business, including the management and operation of the Timberlands, whether or not in the Ordinary Course of Business, without the prior written consent of the Beneficiary, except that the Grantor may alter logging roads in the Ordinary Course of Business without the Beneficiary's consent, (iii) shall complete promptly and in good and workmanlike manner any Improvement (including roads and erosion control devices) now or hereafter constructed and, except for those logging roads no longer in use, promptly restore, replace or rebuild in like manner any portion of the Improvements which may be damaged or destroyed from any cause whatsoever (whether or not insured against or insurable or affected by the exercise of the power of eminent domain) to the same condition such portion was in immediately prior to such damage or destruction, and pay when due all claims for labor performed and materials furnished therefor, (iv) except as provided in the Credit Agreement, shall comply in all material respects with all laws, ordinances, rules, regulations, covenants, conditions and restrictions (including those relating to silviculture, land use and development, water rights and use, noise and pollution), subject to the Grantor's right to contest as provided in Section 1.9, below, now or hereafter affecting the Premises or any part thereof or interest therein, (v) shall not commit or permit material waste or deterioration of the Premises or any material part thereof or interest therein except as permitted pursuant to Section 1.24, below, (vi) shall comply in all material respects with the provisions of the Timber Agreements and every material Authorization and exercise rights under the Harvesting Contracts so as to reasonably maximize returns thereunder, (vii) except as provided in the Credit Agreement, shall not commit, suffer or permit any act to be done in or upon the Premises or any part thereof or interest therein in violation, in any material respect, of any law, ordinance, rule or regulation or of the Timber Agreements or of any Authorizations, (viii) shall maintain memberships in forest protective associations where any of the Premises falls within a forest protective district under the jurisdiction of any such associations, (ix) shall pay as due any forest patrol or similar fire control assessments of the Oregon State Forestry Department or any successor agency or a forest protective association described in clause (viii), above; and (x) shall within thirty (30) days from any determination that an operation on the Premises or any part thereof has resulted in an additional fire hazard, obtain a release of such additional fire hazard from the Oregon State Forestry Department or any successor agency by performing all necessary burning or other work to reduce the hazard or by paying a fee designated by the Oregon State Forestry Department or any successor agency for such release. In making repairs and replacements, any component of the Improvements so replaced shall be promptly replaced with a comparable component which shall have a value and utility at least equal to the value and utility of the replaced component (as reasonably determined by the Grantor), shall be free from any Lien except for the lien of this Deed of Trust and the Permitted Title Exceptions.

The Grantor shall not commit or suffer any strip or waste of the Land and shall not cut or remove or permit to be cut or removed from the Land any Timber except pursuant to the provisions of Section 1.24, below, the Credit Agreement and the Timber Agreements. The Grantor agrees that it shall maintain an inventory of Timber within the Timberlands at standards of accuracy and thoroughness satisfactory to the Consultant (as defined in Section 1.23, below) and not unreasonable in terms of good forest management practices. Complete records of the Grantor's inventory shall be kept on file by the Grantor's personnel having supervisory responsibility for such inventory and shall be made available to the Beneficiary or Consultant upon request.

The Timberland shall be operated as timber producing tracts, having due regard to soil conditions, stand arrangements and other factors relevant to the conduct of sound silvicultural and harvesting practices, and the Grantor shall harvest the Timber on the Timberland, subject to all requirements and conditions of this Deed of Trust. Notwithstanding the foregoing, the Grantor shall harvest the Timber in a manner that will generate sufficient proceeds to discharge the Grantor's payment obligations under the Credit Agreement, any Notes and the other Related Documents but that does not materially adversely impair the collateral value of the Timber and Land relative to the Grantor's outstanding obligations from time to time under the Credit Agreement, any Notes and the other Related Documents. The Grantor shall not permit grazing of livestock on the Timberland in such a way as to be materially injurious to forest regeneration, soils or forest growth, or use fire for eradication of noxious growth or for any other reason whatsoever except with the prior written consent of the Beneficiary.

All reasonable measures shall be taken which are reasonably necessary to protect Timber located on the Timberlands from loss by fire, which measures shall be at least equal to fire control practices generally followed on timber-producing property in the same general area, including the adoption of suitable prevention and control measures, the maintenance of adequate fire-fighting equipment, proper disposal of slash and snags and full cooperation with local, state and federal agencies on matters of fire prevention and control. To the extent economically feasible, all merchantable Timber that is dead, diseased, fallen or otherwise damaged by casualty shall be salvaged in accordance with sound silvicultural practices. The Grantor shall use commercially reasonable efforts to maintain an adequate system of roads and roadways in such manner as to permit reasonable access of mobile fire-fighting equipment to all parts of the Timberland. If any Timber within the Timberland is damaged or destroyed by fire, windstorm, infestation, war, third Persons or any other cause. The Grantor shall, upon the Beneficiary's request, revise its applicable Timber harvest plan or plans so as to achieve the maximum salvage value from the damaged Timber.

All reasonable measures shall be taken to insure proper regeneration of Timber on the Timberland. Any clear-cut area and each area without adequate seed source shall be site prepared and replanted in seedlings genetically improved to the extent available or by aerial seeding. To the extent that weather conditions permit, areas clear-cut shall be site-prepared and replanted. In other areas when regeneration is not accomplished by natural means within a reasonable time, the Grantor shall institute and maintain a planting program, designed adequately to reforest such land. There shall be maintained at all times in accordance with sound silvicultural practices all reasonable and effective measures to prevent the development of and to control the spread of

disease and insect infestation on the Timberland, including, but not limited to, the shifting of logging operations to remove diseased or insect infested trees and other trees threatened with disease or insect infestation, and all such other accepted forest sanitation and control measures as are necessary to prevent the development and spread of disease and insect infestation.

The Grantor's forest management records are and will continue to be maintained at the Grantor's offices at 6400 Highway 66, Klamath Falls, Oregon 97061. The Grantor has and will maintain current accurate maps showing acreage and typing of Timber within the Timberland. The Grantor employs and will continue to employ an experienced, competent, designated individual to maintain such records and maps. The Grantor shall maintain in effect the basic Timberland management methods and record keeping system heretofore in existence maintained by Weyerhaeuser Company as relates to the Timberlands, but shall make changes in such structure and system as the Beneficiary may from time to time reasonably require. The Grantor will furnish to the Beneficiary, as well as to the agents of the Beneficiary, full access to the Timberland and to all of the Grantor's personnel, books, maps and aerial photographs, the Timber harvesting plans, financial and other records, scaling sheets, timber cruises, documents, facilities, forest management plans and projections relating to the Real Estate, all as requested from time to time by the Beneficiary, and shall promptly provide the Beneficiary, upon execution and delivery or filing as appropriate, copies of all logging contracts and log hauling or other agreements relating to harvesting of the Timberland; all log sale agreements and purchase orders for logs; and a copy of each timber harvesting plan filed with any government agency having jurisdiction over the Timberlands.

All cutting operations shall be conducted in such a manner as to realize the greatest return from the individual tree and from the timber stand and to effect suitable utilization of the Timberland. Trees shall be cut as close to the ground as practicable in order to leave the lowest stump; all desirable trees which are not at the time harvested, including young trees, shall be protected against unnecessary injury from felling, skidding and hauling to the extent practicable; and all measures reasonably practicable shall be used to prevent soil erosion including the proper location of skidways and roads.

Anything to the contrary contained herein notwithstanding, the Grantor may sell, transfer or otherwise dispose of equipment, furnishings and similar personal property used in connection with the Premises if the same become damaged, destroyed or obsolete, and all such equipment, furnishings and other personal property is, prior to or concurrently with such sale, transfer or other disposition, replaced with equipment, furnishings and similar personal property that is at least of comparable quality, value and utility and is free and clear of all security interests and other liens except for the security interest granted to the Beneficiary by this Deed of Trust or as otherwise permitted in the Credit Agreement; *provided*, that no such equipment, furnishings and other personal property need be so replaced if the Grantor determines in the exercise of good business judgment that the same is no longer required for the continued operation of the Premises or the operation of the business conducted therefrom if the fair market value of such property, immediately prior to the date of such damage, destruction or obsolescence (provided that such property has been maintained by the Grantor in the condition required pursuant to the terms of this Deed of Trust) is less than \$100,000 in any Fiscal Year.

1.4 Sales; Liens. Except as expressly permitted under the Credit Agreement and Sections 1.3 and 1.24 hereof, the Grantor will not sell, contract to sell, assign, transfer or convey, or permit to be sold, transferred or conveyed, the Collateral or any part thereof or any interest or estate in any thereof (including any conveyance into a trust or any conveyance of the beneficial interest in any trust that may be holding title to the Premises) or remove any of the Collateral from the Premises or from the state in which the Real Estate is located; or create, suffer or permit to be created or to exist any Lien of any kind whatsoever upon the Collateral or any part thereof, except those of current taxes not then due and payable, the Permitted Title Exceptions, construction liens being diligently contested in good faith and otherwise in accordance with Section 1.10, below. In the event the Collateral or any part thereof is sold, transferred, assigned, conveyed or permitted to be transferred or conveyed, or the Grantor enters into any contract to sell the Collateral or any part thereof, except as expressly permitted herein, without the prior written consent of the Beneficiary, or transfers to any person or entity other than the Grantor the right to manage or control the operation of the Premises or any part thereof, without the prior written consent of the Beneficiary, the entire indebtedness and the Obligations secured hereby shall, at the option of the Beneficiary, become immediately due and payable.

1.5 Access By Beneficiary. The Grantor will at all times deliver to the Beneficiary either all of its executed originals (in the case of chattel paper or instruments) or copies (in all other cases) of all Leases, agreements creating or evidencing Intangibles, Plans, Contracts for Construction, Contracts for Sale, Timber Agreements, all amendments and supplements thereto, and any other document which is, or which evidences, governs, or creates, Collateral; permit access at reasonable times by the Beneficiary to the Grantor's books and records; permit the Beneficiary to inspect reports, registers, sales records, insurance policies and other papers for examination and the making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as the Beneficiary may reasonably request; and permit the Beneficiary and its agents and designees, to inspect the Premises at reasonable times.

1.6 Stamp And Other Taxes. If the federal, or any state, county, local, municipal or other, government or any subdivision of any thereof having jurisdiction, shall levy, assess or charge any tax (excepting therefrom any income tax on the Beneficiary's receipt of interest payments on the principal portion of the Loan Amounts), assessment or imposition upon this Deed of Trust, the Loans, any Notes, any of the other Obligations, or any of the other Related Documents, the interest of the Beneficiary in the Collateral, or any of the foregoing, or upon the Beneficiary or the Trustee by reason of or as holder of any of the foregoing, or shall at any time or times require revenue stamps to be affixed to this Deed of Trust, the Credit Agreement, any Notes, or any of the other Related Documents, the Grantor shall pay all such taxes and stamps to or for the Beneficiary or the Trustee, as applicable, as they become due and payable. If any law or regulation is enacted or adopted permitting, authorizing or requiring any tax, assessment or imposition to be levied, assessed or charged, which law or regulation prohibits the Grantor from paying the tax, assessment, stamp, or imposition to or for the Beneficiary or the Trustee, then all sums hereby secured shall become immediately due and payable at the option of the Beneficiary. Thereafter, if the Grantor fails to make payment of all such sums within five (5) days of the Beneficiary's demand therefor, such failure shall immediately constitute an Event of Default (as defined in Article II, below).

1.7 **Insurance.** The Grantor will at all times maintain or cause to be maintained on the Premises, the Goods, the Improvements and on all other Collateral, the policies of insurance, with the coverages, limits and deductibles, required to be maintained by the Grantor under and pursuant to Article VII of the Credit Agreement. The Grantor's making any payments and deposits required by the provisions of Section 1.20 of this Article I shall not relieve the Grantor of, or diminish in any way, its obligations as set out in this Section 1.7. Any insurance proceeds under such policies which are less than \$1,000,000 shall be paid to the Grantor for restoration provided that no Event of Default or Unmatured Event of Default has occurred or exists at the time such proceeds are collected or at the time of the insured casualty. If the proceeds for any insured loss exceeds \$1,000,000, all of the proceeds paid under any of such policies shall be applied, at the option of the Beneficiary, toward prepayment of the Loans, any Notes or any of the other Obligations (in which event the Grantor shall be relieved of the obligation in Section 1.3(ii) of this Deed of Trust to the extent of the repair of that part of the Improvements damaged by the casualty with respect to which insurance is paid), or to the rebuilding or repairing of the damaged or destroyed Improvements or other Collateral, as the Beneficiary in its sole and unreviewable discretion may elect (which election shall not relieve the Grantor of the duty to rebuild or repair); *provided, however*, that any proceeds of insurance made available for the rebuilding or repairing of the damaged or destroyed Improvements shall be subject to the following conditions:

(i) no Event of Default or event which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default (an "*Unmatured Event of Default*") under this Deed of Trust or the Related Documents shall have occurred or be continuing (and if such an event shall occur during restoration, the Beneficiary may, at its election, apply any insurance proceeds then remaining in its hands to the reduction of the indebtedness under the Loans or any Notes and the other Obligations);

(ii) the Grantor shall have submitted to the Beneficiary plans and specifications for the restoration which shall be reasonably satisfactory to it, which plans and specifications shall not be substantially modified, changed or revised without the Beneficiary's prior written consent and shall be in conformity with all applicable governmental regulations, including, without limitation, building, zoning, land use and environmental regulations;

(iii) the Grantor, if so requested by the Beneficiary, shall have submitted to the Beneficiary fixed price contracts with good and responsible contractors and materialmen, or, in the alternative, such plans for using the Grantor's own employees, covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or, if a deficiency shall exist, the Grantor shall have deposited the amount of such deficiency with the Beneficiary unless the Grantor has made other arrangements or furnished other evidence which is satisfactory to the Beneficiary of the Grantor's ability to pay such deficiency in full;

(iv) any insurance proceeds in excess of \$1,000,000 to be released pursuant to the foregoing provisions may, at the option of the Beneficiary, be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements may, at the Beneficiary's option, be made directly to the Grantor or to or through any contractor

or materialman to whom payment is due or to or through a construction escrow to be maintained by a title insurer reasonably acceptable to the Beneficiary;

(v) the Beneficiary may impose such further conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien:

(vi) all title insurance charges and other costs and expenses paid to or for the account of the Grantor in connection with the release of such insurance proceeds shall constitute so much additional indebtedness secured hereby to be payable upon demand with interest thereafter at the rate *per annum* equal to the rate then applying to Base Rate Loans under the Credit Agreement (the "*Applicable Rate*"). The Beneficiary may deduct any such costs and expenses from insurance proceeds at any time standing in its hands; and

(vii) if the Grantor fails to complete restoration within a reasonable time but in all cases in compliance with any time period provided under applicable requirements of governmental authorities and insurance underwriters, the Beneficiary shall have the right, but not the obligation, to restore or rebuild the Improvements, or any part thereof, for or on behalf of the Grantor in lieu of applying said proceeds to the indebtedness hereby secured and for such purpose may do all necessary acts, including using funds deposited by the Grantor as aforesaid and advancing additional funds for the purpose of restoration; all such additional funds to constitute part of the indebtedness hereby secured payable upon demand with interest at the Applicable Rate.

After the occurrence of any Event of Default or Unmatured Event of Default, the Beneficiary may, in its discretion, settle, compromise and adjust any and all claims or rights under any insurance policy maintained by the Grantor relating to the Collateral; *provided, however*, that prior to the occurrence of any Default or Unmatured Event of Default, the Grantor shall have the right to settle, adjust and compromise such claims on Collateral with an aggregate value per occurrence not exceeding \$1,000,000 without the Beneficiary's involvement or approval. In the event of foreclosure of this Deed of Trust or other transfer of title to the Premises in extinguishment of the indebtedness secured hereby, all right, title and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or grantee. Nothing contained in this Deed of Trust shall create any responsibility or obligation of the Beneficiary to collect any amounts owing on any insurance policy or resulting from any condemnation, to rebuild or replace any damaged or destroyed Improvements or other Collateral or to perform any other act hereunder. The Beneficiary shall not by the fact of approving, disapproving, accepting, preventing, obtaining or failing to obtain any insurance, incur any liability for or with respect to the amount of insurance carried, the form or legal sufficiency of insurance contracts, solvency of insurance companies, or payment or defense of lawsuits, and the Grantor hereby expressly assumes full responsibility therefor and all liability, if any, with respect thereto.

If the Grantor elects to or is required to restore the Improvements, in whole or in part, damaged by casualty or fire, the Grantor shall proceed promptly with the restoration, replacement,

rebuilding or repair of the Improvements as nearly as possible to the condition and size such Improvements were in immediately prior to such fire or casualty.

WARNING

UNLESS THE GRANTOR PROVIDES THE BENEFICIARY WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THE CREDIT AGREEMENT OR THIS DEED OF TRUST, THE BENEFICIARY MAY PURCHASE INSURANCE AT THE GRANTOR'S EXPENSE TO PROTECT BENEFICIARY'S INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT THE GRANTOR'S INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE THE BENEFICIARY PURCHASES MAY NOT PAY ANY CLAIM THE GRANTOR MAKES OR ANY CLAIM MADE AGAINST THE GRANTOR. THE GRANTOR MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT THE GRANTOR HAS OBTAINED PROPERTY COVERAGE ELSEWHERE.

THE GRANTOR IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY THE BENEFICIARY. THE COST OF THIS INSURANCE MAY BE ADDED TO THE OBLIGATIONS. IF THE COST IS ADDED TO THE OBLIGATIONS, THE APPLICABLE RATE WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE THE GRANTOR'S PRIOR COVERAGE LAPSED OR THE DATE THE GRANTOR FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE THE BENEFICIARY PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE THE GRANTOR CAN OBTAIN ON THE GRANTOR'S OWN, AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

1.8 **Eminent Domain.** In case the Collateral, or any part or interest in any thereof, is taken by condemnation, the Beneficiary is hereby empowered to collect and receive all compensation and awards of any kind whatsoever (referred to collectively herein as "*Condemnation Awards*") which may be paid for any property taken or for damages to any property not taken (all of which the Grantor hereby assigns to the Beneficiary), and all Condemnation Awards so received shall be forthwith applied by the Beneficiary, as it may elect in its sole and unreviewable discretion, to the prepayment of the Loans, any Notes or any of the other Obligations, or to the repair and restoration of any property not so taken or damaged, *provided*, that no election made by the Beneficiary under this Section shall relieve the Grantor of the duty to repair and restore; and *provided, further*, that any Condemnation Awards payable by reason of the taking of less than all of the Collateral shall be made available to the extent required, as determined by the Beneficiary in its reasonable discretion, for the repair or restoration of any Collateral not so taken under the conditions set forth in Section 1.7, above. The Grantor hereby empowers the Beneficiary, in the Beneficiary's absolute discretion, to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the Collateral or any portion thereof; *provided, however*, that prior to the occurrence

of any Event of Default or Unmatured Event of Default, the Grantor shall have the right to settle, compromise and adjust such claims jointly with the Beneficiary. Notwithstanding anything to the contrary in this Section 1.8, the Grantor shall be entitled to apply any Condemnation Award that does not exceed \$1,000,000 for any Improvement to the restoration or repair of such Improvement.

1.9 Governmental Requirements And Authorizations. Except as otherwise provided in the Credit Agreement, the Grantor will at all times fully comply with, in all material respects, and cause the Collateral and the use and condition thereof fully to comply with, in all material respects, all federal, state, county, municipal, local and other governmental statutes, ordinances, requirements, regulations, rules, orders and decrees of any kind whatsoever that apply or relate to the Grantor or the Collateral or the use thereof, and will observe and comply with, in all material respects, all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including, without limitation, those relating to land use and development, landmark preservation, construction, access, water rights and use, noise and pollution) which are applicable to the Grantor or have been granted for the Collateral or the use thereof. Unless required by applicable law, or unless the Beneficiary has otherwise first agreed in writing, the Grantor shall not make or allow any changes to be made in the nature of the occupancy or use of the Premises or any portion thereof for which the Premises or such portion was used at the time this Deed of Trust was delivered. Except as otherwise provided in the Credit Agreement, the Grantor shall not initiate or acquiesce in any change in any zoning or other land use classification now or hereafter in effect and affecting the Premises or any part thereof without in each case obtaining the Beneficiary's prior written consent thereto. Notwithstanding the foregoing, the Grantor shall have the right to diligently contest any such governmental requirement so long as the contest is in good faith and by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP and so long as the Premises shall not become subject to any lien, charge, fine, or other liability and shall not be in danger of being forfeited, lost or foreclosed as a result of the Grantor's failure to comply with such governmental requirement during the period of such contest.

1.10 No Construction Liens. The Grantor will not suffer any construction, mechanic's, laborer's, materialmen's lien or logger's liens to be created or remain outstanding upon the Premises or any part thereof. Anything herein contained to the contrary notwithstanding, the Grantor shall not be deemed in default with respect to the provisions of this Section if the Grantor provides the Beneficiary with written notice of the Grantor's good faith intention to diligently contest such Lien or claim of Lien (and the Grantor does so contest such Lien or claim of Lien) at the Grantor's sole expense and, if requested by the Beneficiary, the Grantor furnishes to the Beneficiary or otherwise files in accordance with an applicable law either a bond, in form and with sureties reasonably satisfactory to the Beneficiary, or an updated title insurance policy or endorsement to the Beneficiary's existing policy acceptable to the Beneficiary indemnifying or insuring the Beneficiary against any loss, cost, damage or expense on account of any such lien claim. The Grantor agrees to promptly deliver to the Beneficiary a copy of any notices that the Grantor receives with respect to any pending or threatened Lien or the foreclosure thereof. It is further expressly made a covenant and condition hereof that the lien of this Deed of Trust shall extend to all right, title and interest of the Grantor in any and all improvements and fixtures now or hereafter on the Premises, prior to any other lien thereon that

may be claimed by any Person (other than Permitted Title Exceptions), so that subsequently accruing claims for lien on the Premises shall be junior and subordinate to this Deed of Trust to the extent provided for by law. All contractors, subcontractors, and other parties dealing with the Premises, or with any parties interested therein, are hereby required to take notice of the foregoing provisions.

1.11 Continuing Priority. The Grantor will: pay such fees, taxes and charges, execute and file (at the Grantor's expense) such financing statements, obtain such acknowledgments or consents, notify such obligors or providers of services and materials and do all such other acts and things as the Beneficiary may from time to time reasonably request to establish and maintain a valid and perfected first and prior lien on and security interest in the Collateral (subject to the Permitted Title Exceptions); maintain its office and principal place of business at all times at the address shown above except as otherwise provided in the Security Agreement executed by the Grantor concurrently herewith (the "*Company Security Agreement*"); keep all of its books and records relating to the Collateral on the Premises or at such address as set forth for notices in Section 4.6, below; keep all tangible Collateral on the Real Estate except as the Beneficiary may otherwise consent in writing and except as otherwise provided in Section 1.3, above; make notations on its books and records sufficient to enable the Beneficiary, as well as third parties, to determine the interest of the Beneficiary hereunder; and not collect any rents or the proceeds of any of the Leases or Intangibles more than thirty (30) days before the same shall be due and payable except as the Beneficiary may otherwise consent in writing, which consent shall not be unreasonably withheld, or as required pursuant to any existing leases.

1.12 Utilities. The Grantor will pay or cause to be paid all utility charges incurred in connection with the Collateral promptly when due and maintain all utility services, if any, necessary for use at the Premises.

1.13 Contract Maintenance; Other Agreements; Leases. The Grantor will, for the benefit of the Beneficiary, fully and promptly keep, observe, perform and satisfy each obligation, condition, covenant, and restriction of the Grantor affecting the Premises or imposed on it under any material agreement between the Grantor and a third party relating to the Collateral or the Obligations secured hereby, including, without limitation, the Leases, the Contracts for Sale, Contracts for Construction and the Intangibles (collectively, the "*Third Party Agreements*") and the Timber Agreements, so that there will be no default in any material respect thereunder and so that the Persons (other than the Grantor) obligated thereon shall be and remain at all times obligated to perform for the benefit of the Beneficiary; and the Grantor will not permit to exist any condition, event or fact which could allow or serve as a basis or justification for any such Person to avoid such performance. Without the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, the Grantor shall not (i) terminate or permit any termination of or make or permit amendment in any material respect of the rights of the Grantor under any Third Party Agreement or Timber Agreements; (ii) collect rents or the proceeds of any Leases or Intangibles more than thirty (30) days before the same shall be due and payable; (iii) modify or amend any Leases in any material respect or, except where the lessee is in default, cancel or terminate the same or accept a surrender of the leased premises; (iv) consent to the assignment or subletting of the whole or any portion of any lessee's interest under any Leases, or grant any options to renew; (v) create or permit any Lien which, upon foreclosure, would be

superior to any Leases; (vi) in any other manner impair the Beneficiary's rights and interest with respect to the Rents; or (vii) enter into any agreement for logging, felling, loghauling, bucking and the like that is not on an arm's length basis or less than fair market value rates or according to terms customary in the forest products industry. The Grantor shall promptly deliver to the Beneficiary copies of any demands or notices of default received by the Grantor in connection with any Third Party Agreement or Timber Agreement and allow the Beneficiary the right, but not the obligation, to cure any such default. All security or other deposits, if any, received from tenants under the Leases shall be segregated and maintained in compliance with the law of the state where the Premises are located. The provisions of clauses (i) and (iii) of this Section 1.13 to the contrary notwithstanding, the Beneficiary's consent shall not be required for any amendment or other modification of any Leases under which the Grantor is the landlord if the amendment or modification does not substantially reduce the rent payable thereunder or increase any risk or liability of the Grantor.

1.14 Notify Beneficiary Of Event of Default. The Grantor shall notify the Beneficiary in writing forthwith upon learning of the occurrence of any Event of Default or Unmatured Event of Default hereunder, which notice shall describe such Event of Default or Unmatured Event of Default and the steps being taken by the Grantor with respect thereto.

1.15 Assignments; Future Leases. The Grantor will not cause or permit any Rents, Leases, Contracts for Sale, or other contracts relating to the Premises to be assigned, transferred, conveyed, pledged or disposed of to any party other than the Beneficiary without first obtaining the express written consent of the Beneficiary, which consent shall not be unreasonably withheld, to any such assignment or permit any such assignment to occur by operation of law. In addition, the Grantor shall not cause or permit all or any portion of or interest in the Premises or the Improvements to be leased (that word having the same meaning for purposes hereof as it does in the law of landlord and tenant) directly or indirectly to any Person, except with the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld, and, if granted, under Leases reasonably approved in writing by the Beneficiary.

1.16 Assignment Of Leases And Rents And Collections.

(a) All of the Grantor's interest in and rights under the Leases now existing or hereafter entered into, and all of the Rents, whether now due, past due, or to become due, and including all prepaid rents and security deposits, and all other amounts due or otherwise collectible with respect to any of the other Collateral, are hereby absolutely, presently and unconditionally assigned and conveyed to the Beneficiary to be applied by the Beneficiary in payment of all sums due under the Loans in accordance with the Credit Agreement or any Notes, the other Obligations and all other sums payable under this Deed of Trust. Prior to the occurrence of any Event of Default, the Grantor shall have a license to collect and receive all Rents and other amounts, which license may be at any time terminated at the sole option of the Beneficiary, without regard to the adequacy of its security hereunder and without notice to or demand upon the Grantor, except as otherwise provided in the Credit Agreement, upon the occurrence and during the continuance of any Event of Default. This shall constitute a direction to and full authority to each lessee under any Leases, each guarantor of any of the Leases and any other Person obligated under any of the Collateral to pay all Rents and other amounts to the

Beneficiary without proof of the Event of Default relied upon. The Grantor hereby irrevocably authorizes each such Person to rely upon and comply with any notice or demand by the Beneficiary for the payment to the Beneficiary of any Rents and other amounts due or to become due.

(b) The Grantor shall apply the Rents and other amounts to the payment of all necessary and reasonable operating costs and expenses of the Collateral, debt service on the Obligations and otherwise in compliance with the provisions of the Related Documents.

(c) The Grantor shall at all times fully perform the obligations of the lessor under all Leases. The Grantor shall at any time or from time to time, upon request of the Beneficiary, transfer and assign to the Beneficiary in such form as may be satisfactory to the Beneficiary, the Grantor's interest in the Leases, subject to and upon the condition, however, that prior to the occurrence of any Event of Default hereunder the Grantor shall have a license to collect and receive all Rents under such Leases upon accrual, but not prior thereto, as set forth in paragraph (a) above.

(d) The Beneficiary shall have the right to assign the Beneficiary's right, title and interest in any Leases to any subsequent holder of this Deed of Trust or any participating interest therein or to any Person acquiring title to all or any part of the Collateral through foreclosure or otherwise. Any subsequent assignee shall have all the rights and powers herein provided to the Beneficiary. Upon the occurrence of any Event of Default, the Beneficiary shall have the right to execute new leases of any part of the Collateral on commercially reasonable terms, including leases that extend beyond the term of this Deed of Trust. The Beneficiary shall have the authority, as the Grantor's attorney-in-fact, such authority being coupled with an interest and irrevocable, to sign the name of the Grantor and to bind the Grantor on all papers and documents relating to the operation, leasing and maintenance of the Collateral from and after the occurrence of an Event of Default hereunder.

1.17 Trustee's Or Beneficiary's Performance. Subject to the last sentence of this Section 1.17, if the Grantor fails to pay or perform any of its obligations herein contained (including payment of reasonable expenses of foreclosure and court costs), the Trustee or the Beneficiary may (but need not), as agent or attorney-in-fact of the Grantor, make any payment or perform (or cause to be performed) any obligation of the Grantor hereunder, in any form and manner deemed expedient by the Trustee or the Beneficiary, and any amount so paid or expended (plus reasonable compensation to the Trustee or the Beneficiary for its out-of-pocket and other expenses for each matter for which it acts under this Deed of Trust), with interest thereon at the Applicable Rate, shall, if owed to the Beneficiary, be added to the principal debt hereby secured and shall be repaid to the Trustee or the Beneficiary upon demand. By way of illustration and not in limitation of the foregoing, the Trustee or the Beneficiary may (but need not) do all or any of the following: make payments of principal or interest or other amounts on any Lien, on any of the Collateral; complete construction; make repairs; collect rents; prosecute collection of the Collateral or proceeds thereof; purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit, proceeding, title or claim thereof; contest any tax or assessment; redeem from any tax sale or forfeiture affecting the Premises. In making any payment or securing any performance relating to any obligation of the Grantor hereunder, the Trustee or the Beneficiary

shall be the sole judge of the legality, validity and amount of any Lien and of all other matters necessary to be determined in satisfaction thereof. No such action of the Trustee or the Beneficiary shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any matter which constitutes an Event of Default or an Unmatured Event of Default. Notwithstanding the foregoing, the Trustee or the Beneficiary shall not exercise the rights granted to it under this Section 1.17 unless an Event of Default has occurred and is continuing, *provided, however*, that the Trustee or the Beneficiary may exercise such rights prior to an Event of Default if any performance or other exercise of the rights granted hereunder are, in the Trustee's or the Beneficiary's sole discretion, necessary to preserve the Collateral such as (by way of illustration and not of limitation) repairs or measures to prevent immediate and material damage to all or any portion of the Collateral or the renewal or replacement of insurance about to expire thereon.

1.18 Subrogation. To the extent that the Beneficiary, on or after the date hereof, pays any sum under any provision of law or any instrument or document creating any lien or other interest prior or superior to the lien of this Deed of Trust, or the Grantor or any other Person pays any such sum with the proceeds of the loan secured hereby, the Beneficiary shall have and be entitled to a lien or other interest on the Collateral equal in priority to the lien or other interest discharged and the Beneficiary shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien, which shall remain in existence and benefit the Beneficiary in securing the Obligations.

1.19 Hazardous Material. Except as disclosed in the Environmental Indemnity or listed in *Exhibit A* thereto and incorporated herein by this reference, and except in accordance with the Grantor's ordinary business practices and in compliance with applicable laws, neither the Grantor, to the best of the Grantor's current actual knowledge, nor any other Person has ever caused or permitted any Hazardous Material (hereinafter defined) to be placed, held, located or disposed of on, under or at the Premises or the Real Estate or any part thereof or any other real property legally or beneficially owned (or any interest or estate in real property which is owned) or operated by the Grantor or any of its Subsidiaries (including, without limitation, any property owned by a land trust the beneficial interest in which is owned in whole or in part by the Grantor), and to the best of the Grantor's current actual knowledge, no such real property has ever been used (whether by the Grantor or by any other Person) as (i) permanent storage site for any Hazardous Material, (ii) a dump site, or (iii) a temporary storage site for Hazardous Material.

For purposes of this Deed of Trust, "*Hazardous Material*" shall be defined as such term is defined in the Environmental Indemnity.

1.20 Reserve For Taxes, Assessments And Insurance. Except as otherwise provided in the last paragraph of this Section 1.20, the Grantor covenants and agrees to pay to the Beneficiary monthly until the Loans, any Notes and all of the other Obligations have been paid in full, in addition to the required payments of principal and interest under the Loans in accordance with the terms of the Credit Agreement or any Notes, and monthly on the first day of each month until the Loans and any Notes are fully paid, a sum equal to taxes and assessments next due upon the Premises (all as estimated by the Beneficiary) and the premiums that will next become due and payable on policies of fire, rental value and other insurance covering the Premises required under

the terms of this Deed of Trust, divided by the number of months to elapse before one month prior to the date when such taxes, assessments and insurance premiums will become due and payable, such sums to be held by the Beneficiary without interest accruing thereon, to pay each of the said items.

All payments described above in this Section shall be paid by the Grantor each month in a single payment to be applied by the Beneficiary to the foregoing items in such order as the Beneficiary shall elect in its sole discretion.

Except as otherwise provided in the last paragraph of this Section 1.20, the Grantor shall also pay to the Beneficiary, at least thirty (30) days prior to the due date of any taxes, assessments or insurance premiums levied on, against or with respect to the Premises, such additional amount as may be necessary to provide the Beneficiary with sufficient funds to pay any such tax, assessment, insurance premiums, rent and additional rent under this Section 1.20 at least thirty (30) days in advance of the due date thereof. The Grantor's failure timely to make any payments required under this Section 1.20 shall be an Event of Default under this Deed of Trust.

Except as otherwise provided in the last paragraph of this Section 1.20, the Beneficiary shall, within twenty (20) days of receipt from the Grantor of a written request therefor together with such supporting documentation as the Beneficiary may reasonably require (including, without limitation, official tax bills or, as applicable, statements for insurance premiums or rent and additional rent), cause proper amounts to be withdrawn from such account and paid directly to the appropriate tax collecting authority or insurer. Even though the Grantor may have made all appropriate payments to the Beneficiary as required by this Deed of Trust, the Grantor shall nevertheless have full and sole responsibility at all times to cause all taxes, assessments, insurance premiums and rent and additional rent to be fully and timely paid, and the Beneficiary shall have no responsibility or obligation of any kind with respect thereto except with respect to payments required to be made by the Grantor hereunder for which the Beneficiary has received funds to cover such payments in full and all statements, invoices, reports or other materials necessary to make such payments, all not less than thirty (30) days prior to the deadline for any such payment. If at any time the funds so held by the Beneficiary shall be insufficient to cover the full amount of all taxes, assessments, insurance premiums, rent and additional rent then accrued (as estimated by the Beneficiary) with respect to the then-current twelve-month period, the Grantor shall, within ten (10) days after receipt of notice thereof from the Beneficiary, deposit with the Beneficiary such additional funds as may be necessary to remove the deficiency. Failure to do so within such 10-day period shall be an Event of Default hereunder and all sums hereby secured shall immediately become due and payable at the option of the Beneficiary. If the Premises are sold under foreclosure, Trustee power of sale, or are otherwise acquired by the Beneficiary, accumulations under this Section 1.20 may be applied to the Obligations as provided in Section 3.3, below.

Anything contained in this Section 1.20 to the contrary notwithstanding, the Beneficiary hereby (by acceptance of this Deed of Trust and without the necessity of any written waiver, consent or acknowledgment from the Grantor) waives the requirement of all deposits described in this Section 1.20, *provided, however*, that the Beneficiary shall have the right, in its sole

discretion, to rescind such waiver from and after the occurrence of any Event of Default or Unmatured Event of Default hereunder.

1.21 Appointment Of Successor Trustee.

(i) The Beneficiary may, from time to time, by a written instrument executed and acknowledged by the Beneficiary, mailed to the Grantor and recorded in the county in which the Real Estate is located, and by otherwise complying with the provisions of applicable law, substitute a successor or successors to any Trustee named herein or acting hereunder; and said successor or successors shall, without conveyance from the predecessor Trustee, succeed to all title, estate, rights, powers and duties of said predecessor.

(ii) Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

(iii) Upon receipt by Trustee of instructions from the Beneficiary, at any time or from time to time, Trustee shall (i) give any notice or direction or exercise any right, remedy or power hereunder or in respect of any part or all of the Collateral as shall be specified in such instruction and (ii) approve as satisfactory all matters required by the terms hereof to be satisfactory to Trustee or to the Beneficiary.

1.22 Trustee's Powers. At any time, or from time to time, without liability therefor and without notice, upon the written request of the Beneficiary and, *provided* no Event of Default shall have occurred and be continuing, with the Grantor's consent and with presentation of this Deed of Trust and any Notes secured hereby for endorsement, and without affecting the personal liability of any person for payment or performance of the Obligations secured hereby or the effect of this Deed of Trust upon the remainder of the Collateral, Trustee may (i) reconvey any part of the Collateral, (ii) consent in writing to the making of any map or plat thereof, (iii) join in granting any easement thereon, or (iv) join in any extension agreement or any agreement subordinating the lien or charge hereof.

1.23 Beneficiary's Powers. Without affecting the Obligations, and without affecting the lien of this Deed of Trust upon any portion of the Collateral not then or theretofore released as security for the full amount of all unpaid Obligations, the Beneficiary may, as provided in the Credit Agreement, from time to time and without notice, (i) release any Person so liable, (ii) extend the maturity or renew or alter any of the terms of any such Obligations, (iii) grant other indulgences or waivers, (iv) release or reconvey, or cause to be released or reconveyed, any part or all of the Collateral, (v) take or release any other or additional security for any liability herein mentioned, or (vi) make compositions or other arrangements with debtors in relation thereto.

Any one or more of the Banks may engage a consultant (the "*Consultant*") to make such inspections and to perform other services deemed reasonably necessary to insure compliance with the provisions of this Deed of Trust. The Grantor shall pay the reasonable costs for such inspections and other services. The Consultant's duties may include determining whether the Grantor is complying with its obligations set forth in this Deed of Trust regarding forest management and timber harvesting, determining acreages, volumes and Timber inventory;

reviewing and verifying reports, information and certifications furnished by the Grantor, and investigating and monitoring the Grantor's business and activities regarding the Timberland and this Deed of Trust. The Consultant shall make inspections of the Timberland from time to time as reasonably required by the Beneficiary to ascertain that the Grantor is not operating in violation of this Deed of Trust or of any Timber harvesting plan pertaining to the Timberland or of the applicable forest practices act as they apply to the Timberland. The Consultant may perform any cruise and any other timber inventory or Timber and Collateral report contemplated by this Deed of Trust or the Credit Agreement. The Consultant may provide general industry information and specific information on the value of the Premises.

The Grantor shall pay or reimburse the Beneficiary for all reasonable fees and expenses of Consultant hereunder, within thirty (30) days after the Grantor's receipt of a billing invoice, including all charges of any successor Consultant for verifications required by such successor Consultant in connection with its acceptance of the engagement to act as Consultant hereunder. Fees of the Consultant for its services as such shall cover the costs of any cruise performed pursuant to this Deed of Trust. Additionally, the Grantor shall pay and reimburse all reasonable expenses and costs incurred by the Beneficiary in making determinations, verifications, and inspections (that would otherwise be performed by the Consultant), including, without limitation, salaries, wages, travel expenses, and fees and disbursements of independent foresters, surveyors, engineers and attorneys. The Grantor shall cooperate fully in good faith with the Consultant.

1.24 Limitations On Cutting. Unless the right to cut and remove Timber shall have been suspended pursuant to this Section 1.24, or terminated by reason of an Event of Default, the Grantor shall have the right to cut, harvest, load, chip, haul and remove Timber from the Timberland and to sell such Timber only in accordance with the following provisions and conditions:

(i) Prior to any cutting, harvesting, hauling or other removal of any Timber from the Timberland, the Grantor shall prepare and maintain, and all cutting, harvesting, loading, chipping, hauling or removal of Timber shall be conducted in compliance with, timber harvesting plans ("*Timber Harvesting Plans*") that (i) conform to requirements of applicable law, (ii) are prepared in accordance with good forest products industry practice (including requirements that only merchantable Timber, as determined in accordance with generally accepted forest products industry standards, be harvested, except as otherwise provided in Section 1.24(iv), below), (iii) conform to the timber management obligations stated in Section 1.3, above, and (iv) are prepared at least annually in accordance with Section 7.1(g) of the Credit Agreement and are delivered to the Beneficiary, along with all changes, amendments and modifications thereto. Each such Timber Harvesting Plan shall specify the location of the proposed cutting, the parcels and acreage affected, the specifications and size of trees to be cut and how such trees shall be designated, the time period in which harvesting is to occur, logging methods to be used and proposed delivery points and prices, if available.

(ii) The Grantor shall not cut or harvest, load, chip, haul or otherwise remove (or permit the cutting or harvesting, loading, chipping, hauling or other removal of) any Timber

except in accordance with the Timber Harvesting Plans or as otherwise expressly permitted by the Credit Agreement.

(iii) The Grantor shall fully comply with the cutting and harvesting requirements generally set forth in Section 1.3, above, and in addition thereto:

(a) All cutting or harvesting of Timber shall be consistent with the diligent and prudent cutting or harvesting of Timber in accordance with good forest management practices;

(b) All sales of Timber and Timber products from the Timberland shall be on an arm's length basis and contain terms customary in the forest products industry for such agreements, and shall be at prices not less than the fair market value thereof (except as otherwise approved by the Beneficiary, or where prices are already set pursuant to agreements included among the Permitted Title Exceptions or entered into in accordance with this Deed of Trust); and

(c) The Grantor shall have assigned the proceeds from all such sales and all agreements relating thereto to the Beneficiary pursuant to this Deed of Trust and the Security Agreement.

(iv) The Grantor shall not cut or remove any Timber that is not merchantable Timber except for normal thinning in accordance with silvicultural practices and clearcutting operations in compliance with applicable forest practices acts.

(v) All logs removed from the Timberland shall be scaled by an independent log scaling bureau reasonably acceptable to the Beneficiary.

(vi) Upon the occurrence of a material (in the sole judgment of the Beneficiary) Event of Default hereunder, the Beneficiary shall have the option immediately to terminate or suspend all rights of cutting, harvesting and removal of Timber by the Grantor or any third party pursuant to any Timber Agreement, except for those Timber Agreements in effect on the date of such Event of Default with third parties who are not Affiliates, without the necessity of notice or any action on the part of the Beneficiary. Upon acceleration of any of the Loans and any Notes, the Beneficiary shall have the option to immediately terminate all rights of cutting, harvesting and removal of Timber at the expiration of thirty days after the date of such acceleration, without the necessity of notice or any action on the part of any Person, unless sooner terminated by written notice from the Beneficiary to the Grantor and to the other Person thereunder.

1.25 Limitations Of Use. The Grantor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Land.

1.26 Confirmatory Releases. The Beneficiary, upon receipt of a written application from the Grantor accompanied by the Grantor's certification that no Event of Default exists, shall, if the Beneficiary has no actual knowledge that an Event of Default is in existence, execute and deliver any confirmatory release or other instrument necessary or appropriate to confirm that any

Timber cut from the Timberland in accordance with Section 1.24, above, or any Land to be transferred or conveyed pursuant to any of the Contracts for Sale as listed on *Exhibit B* hereto has been released from, or is no longer subject to, the lien of this Deed of Trust.

1.27 Timber Agreements. All Timber Agreements entered into by the Grantor shall be on an arm's length basis at not less than fair market rates and according to terms customary in the forest products industry.

ARTICLE II

DEFAULT

Each of the following shall constitute a default ("*Event of Default*") hereunder:

2.1 Related Documents. The occurrence of an Event of Default under the terms and provisions of the Credit Agreement or any of the other Related Documents (other than this Deed of Trust) or under the terms and provisions of the Environmental Indemnity; or

2.2 Provisions Of This Deed Of Trust. Non-compliance by the Grantor with, or failure by the Grantor to perform, any agreement contained herein (other than any noncompliance or failure which constitutes an Event of Default under Section 2.1) and continuance of such non-compliance or failure for five (5) days after receipt of notice thereof with respect to the payment of any amounts required to be paid under this Deed of Trust or for ten (10) days after the Grantor shall become aware thereof, whether by notice from the Beneficiary or otherwise, or should reasonably have been aware thereof, provided that if such Unmatured Event of Default is not reasonably susceptible to cure within ten (10) days then the Grantor shall have such additional time as it reasonably takes to effect such cure, but in no event longer than thirty (30) days from the occurrence of such Unmatured Event of Default, so long as the Grantor promptly commences and diligently pursues such cure with respect to all other Events of Event of Default under this Deed of Trust.

ARTICLE III

REMEDIES

3.1 Acceleration. Upon the occurrence of any Event of Default, the entire indebtedness under the Loans and any Notes and all other Obligations (together, at the option of Required Banks, with interest thereon at the Default Rate) shall, notwithstanding any provisions of the Credit Agreement, any Notes or the Related Documents and without demand or notice of any kind to the Grantor or to any other Person (except as otherwise provided in the Credit Agreement), (a) automatically become immediately due and payable in the event of the occurrence of any of the Events of Default described in Sections 11.1(h) and 11.1(i) of the Credit Agreement and (b) at the option of the Required Banks as provided in the Credit Agreement, become immediately due and payable in the event of the occurrence of any other Event of Default.

3.2 Remedies Cumulative. No remedy or right of the Beneficiary hereunder or under the Credit Agreement, any Notes or any of the other Related Documents, or otherwise, or

available under applicable law or in equity, shall be exclusive of any other right or remedy, but each such remedy or right shall be cumulative and in addition to every other remedy or right now or hereafter existing under any such document or under applicable law or in equity. Specifically, without otherwise limiting the generality of the foregoing, it is acknowledged and agreed by the Grantor that the power of sale contained in Section 3.3, below, is not an exclusive remedy, and the Beneficiary may, at its sole option, foreclose this Deed of Trust as a mortgage and sue on the Credit Agreement according to law. No delay in the exercise of, or omission to exercise, any remedy or right accruing on any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or an acquiescence therein, nor shall it affect any subsequent Event of Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by the Beneficiary. All obligations of the Grantor, and all rights, powers and remedies of the Beneficiary, expressed herein shall be in addition to, and not in limitation of, those provided by law or in equity or in the Credit Agreement, any Notes or any other Related Document or any other written agreement or instrument relating to any of the Obligations or any security therefor.

3.3 Sale Of The Collateral. At such time as the Loans, any Notes and all other Obligations shall become due and payable, whether by acceleration or otherwise, the Beneficiary may, at the Beneficiary's sole election and by or through the Trustee or substitute trustee duly appointed, sell or offer for sale the Collateral in such portions, order and parcels as the Beneficiary may determine, with or without having first taken possession of same, to the highest bidder for cash at public auction. Such sale shall be made at the time and place, and after giving such notices, as may be required by the provisions of Oregon Revised Statutes 86.705 *et seq.*, or any similar or successor provision of the law of the jurisdiction where the real estate is located. At any such sale: (i) Trustee shall not be required to have physically present, or to have constructive possession of, the Collateral (the Grantor hereby covenanting and agreeing to deliver to Trustee any portion of the Collateral not actually or constructively possessed by Trustee immediately upon demand by Trustee) and the title to and right of possession of any such property shall pass to the purchaser thereof as completely as if such property had been actually present and delivered to purchaser at such sale; (ii) Trustee shall deliver to the purchaser its deed and bill of sale conveying the property so sold, but without any covenant or warranty, express or implied; (iii) each and every recital contained in any instrument of conveyance made by Trustee shall conclusively establish the truth and accuracy of the matters recited therein, including, without limitation, non-payment of the Obligations; advertisement and conduct of such sale in the manner provided herein and otherwise by law; and appointment of any successor Trustee hereunder; (iv) any and all prerequisites to the validity of such sale shall be conclusively presumed to have been performed; (v) the receipt of Trustee or of such other party making the sale shall be a sufficient discharge to the purchaser for his purchase money and no purchaser, or his assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof; (vi) the Grantor shall be completely and irrevocably divested of all of its right, title, interest, claim and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against the Grantor, and against any and all other persons claiming or to claim the property sold or any part thereof, by, through or under the Grantor; and (vii) the Beneficiary may be a purchaser at any such sale. Should the Collateral be sold in one or

more parcels as permitted by this Section 3.3, the right of sale arising out of any Event of Default shall not be exhausted by any one or more such sale, but other and successive sales may be made until all of the Collateral has been sold or until the Obligations have been satisfied. Except to the extent otherwise required by applicable law, any proceeds of the sale of the Collateral shall be applied, first, to the payment of all reasonable costs and expenses of taking possession of the Collateral and of holding, leasing, operating, using, repairing, improving, and selling the same, including, without limitation, reasonable fees of the Trustee and attorneys retained by the Beneficiary or Trustee, reasonable fees of any receiver or accountants, recording and filing fees, court costs, costs of advertisement and the payment of any and all liens, security interests or other rights, title or interests equal or superior to the lien and security interest of this Deed of Trust (except those Liens which encumber the Collateral as sold by the Trustee at the trustee's sale and without in any way implying the Beneficiary's consent to the creation thereof); and thereafter in accordance with the Credit Agreement.

3.4 Possession Of Premises; Remedies Under The Credit Agreement, Notes And Related Documents. The Grantor hereby waives all right to the possession, income and rents of the Premises from and after the occurrence of any Event of Default, and the Beneficiary is hereby expressly authorized and empowered, at and following any such occurrence, to enter into and upon and take possession of the Premises or any part thereof, to complete any construction in progress thereon at the expense of the Grantor, to lease the same, to collect and receive all Rents and to apply the same, less the necessary or appropriate expenses of collection thereof, either for the care, operation and preservation of the Premises or, at the election of the Beneficiary in its sole discretion, to a reduction of such of the Obligations in such order as the Beneficiary may from time to time elect. Without limiting the generality of the preceding sentence, the Grantor hereby grants to the Beneficiary an easement on and as to the entirety of the Premises in order to enter to harvest and remove the Timber upon the occurrence of an Event of Default or to effect through itself or any agent or representatives thereof any self-help remedy available under applicable law or to effect any foreclosure sale (public or private) of any of the Collateral covered by the Uniform Commercial Code as in effect in the State of Oregon (the "UCC") in each case upon the occurrence of an Event of Default. The Beneficiary, and its agents, in addition to the rights provided above or under the Credit Agreement, any Notes or any of the other Related Documents, is also hereby granted full and complete authority to enter upon the Premises, employ watchmen to protect the Goods and Improvements from depredation or injury and to preserve and protect the Collateral, and to continue any and all outstanding contracts for the erection and completion of Improvements to the Premises, to make, enter into or perform any contracts and obligations wherever necessary in its own name (including Timber Agreements), and to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of the Grantor. All such expenditures by the Beneficiary shall be Obligations hereunder. Upon the occurrence of any Event of Default, the Beneficiary may also exercise any or all rights or remedies under the Credit Agreement, any Notes or any of the other Related Documents or available under applicable law.

3.5 Receiver. The Beneficiary shall have the right to the appointment of a receiver in accordance with applicable law. Upon the occurrence of any Event of Default, the Beneficiary and Trustee shall have the right immediately to foreclose this Deed of Trust. In any action to foreclose the Deed of Trust and without notice to the Grantor or to any party claiming under the

Grantor and without regard to the solvency or insolvency at the time of such application of any Person then liable for the payment of any of the Obligations, without regard to the then value of the Premises or whether the same shall then be occupied, in whole or in part, as a homestead, by the owner of the equity of redemption, and without regarding any bond from the complainant in such proceedings, the Beneficiary and Trustee shall have the right to appoint a receiver for the benefit of the Beneficiary, with power to take possession, charge, and control of the Premises, to lease the same, to keep the buildings thereon insured and in good repair, and to collect all Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption.

The court may, from time to time, authorize said receiver to apply the net amounts remaining in its hands, after deducting reasonable compensation for the receiver and its counsel as allowed by the court, in payment (in whole or in part) of any or all of the Obligations, including without limitation the following, in accordance with the Credit Agreement and otherwise in such order of application as the Beneficiary may elect: (i) amounts due for the Obligations secured hereunder in the order of application as set forth in Section 3.3, above, (ii) amounts due upon any decree entered in any suit foreclosing this Deed of Trust, (iii) costs and expenses of foreclosure and litigation upon the Premises, (iv) insurance premiums, repairs, taxes, special assessments, water charges and interest, penalties and costs, in connection with the Premises, (v) any other lien or charge upon the Premises that may be or become superior to the lien of this Deed of Trust, or of any decree foreclosing the same and (vi) all moneys advanced by the Beneficiary to cure or attempt to cure any Event of Default or Unmatured Event of Default by the Grantor in the performance of any obligation or condition contained in any Related Documents or this Deed of Trust or otherwise, to protect the security hereof provided herein, or in any Related Documents, with interest on such advances at the Applicable Rate. The overplus of the proceeds of sale, if any, shall then be paid to the Grantor, upon reasonable request. This Deed of Trust may be foreclosed once against all, or successively against any portion or portions, of the Premises, as the Beneficiary may elect, until all of the Premises have been foreclosed against and sold. In case of any foreclosure of this Deed of Trust (or the commencement of or preparation therefor) in any court, all reasonable expenses of every kind paid or incurred by the Beneficiary for the enforcement, protection or collection of this security, including court costs, attorneys' fees, stenographers' fees, costs of advertising, and costs of title insurance and any other documentary evidence of title, shall be paid by the Grantor.

3.6 Purchase By Beneficiary. In the case of any sale of the Premises pursuant to the provisions of Section 3.3, above, or pursuant to any judgment or decree of any court at public auction or otherwise, subject to the Credit Agreement, the Beneficiary may become the purchaser and for the purpose of making settlement for or payment of the purchase price, shall be entitled to deliver over any Notes and use a portion of the Loans and any Notes and any claims for the debt in an amount equal to the purchase price in order that there may be credited as paid on the purchase price the amount of such debt. In no event shall the Trustee have the right to bid in at the sale, but this shall not limit the right of the Beneficiary to bid in.

3.7 Remedies For Leases And Rents. From and after the occurrence of an Event of Default, then, whether before or after institution of legal proceedings to foreclose the lien of this Deed of Trust or before or after the sale thereunder, the Beneficiary shall be entitled, in its

discretion, to do all or any of the following: (i) enter and take actual possession of the Premises, the Rents, the Leases and other Collateral relating thereto or any part thereof personally, or by its agents or attorneys, and exclude the Grantor therefrom; (ii) with or without process of law, enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of the Grantor relating thereto; (iii) as attorney-in-fact or agent of the Grantor, or in its own name as mortgagee and under the powers herein granted, hold, operate, manage and control the Premises, the Rents, the Leases and other Collateral relating thereto and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment of the Rents, the Leases and other Collateral relating thereto (including actions for the recovery of rent, actions in forcible detainer and actions in distress of rent); (iv) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle the Grantor to cancel the same; (v) elect to disaffirm any Lease or Sublease made subsequent hereto or subordinated to the Lien hereof; (vi) make all necessary or proper repairs, decorations, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (vii) insure and reinsure the Collateral for all risks incidental to the Beneficiary's possession, operation and management thereof; and (viii) receive all such Rents and proceeds, and perform such other acts in connection with the management and operation of the Collateral, as the Beneficiary in its discretion may deem proper, the Grantor hereby granting the Beneficiary full power and authority to exercise each and every one of the rights, privileges and powers contained herein at any and all times after any Event of Default without notice to the Grantor or any other Person. The Beneficiary, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of the following, in such order as it may determine: (a) to the payment of the reasonable operating expenses of the Premises, including the cost of management and leasing thereof (which shall include reasonable compensation to the Beneficiary and its agents or contractors, if management be delegated to agents or contractors, and it shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (b) to the payment of taxes, charges and special assessments, the costs of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Collateral, including the cost from time to time of installing, replacing or repairing the Collateral, and of placing the Collateral in such condition as will, in the judgment of the Beneficiary, make it readily rentable; and (c) to the payment of any Obligations secured hereunder in the order of application as set forth in Section 3.3, above. The entering upon and taking possession of the Premises, or any part thereof, and the collection of any Rents and the application thereof as aforesaid shall not cure or waive any Event of Default theretofore or thereafter occurring or affect any notice of Event of Default hereunder or invalidate any act done pursuant to any such Event of Default or notice, and, notwithstanding continuance in possession of the Premises or any part thereof by the Beneficiary or a receiver and the collection, receipt and application of the Rents, the Beneficiary shall be entitled to exercise every right provided for in this Deed of Trust or by law or in equity upon or after the occurrence of an Event of Default. Any of the actions referred to in this Section 3.7 may be taken by the

Beneficiary irrespective of whether any notice of an Event of Default has been given hereunder and without regard to the adequacy of the security for the indebtedness hereby secured.

3.8 Personal Property. From and after the occurrence of an Event of Default, the Beneficiary may exercise from time to time any rights and remedies available to it elsewhere in this Deed of Trust, under the Company Security Agreement or any of the other Related Documents or under applicable law.

3.9 Performance Of Third Party Agreements And Timber Agreements. From and after the occurrence of an Event of Default, the Beneficiary may, in its sole discretion, notify any Person obligated to the Grantor under or with respect to any Third Party Agreements or Timber Agreements of the existence of an Event of Default, require that performance be made directly to the Beneficiary at the Grantor's expense, advance such sums as are necessary or appropriate to satisfy the Grantor's obligations thereunder and exercise, on behalf of the Grantor, any and all rights of the Grantor under the Third Party Agreements or Timber Agreements as the Beneficiary, in its sole discretion, deems necessary or appropriate; and the Grantor agrees to cooperate with the Beneficiary in all ways reasonably requested by the Beneficiary (including the giving of any notices requested by, or joining in any notices given by, the Beneficiary) to accomplish the foregoing.

3.10 No Liability On Beneficiary. Notwithstanding anything contained herein, the Beneficiary shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of the Grantor, whether hereunder, under any of the Third Party Agreements, any of the Timber Agreements or otherwise, and the Grantor shall and does hereby agree to indemnify, protect, defend against and hold the Beneficiary harmless of and from any and all liabilities, losses or damages which the Beneficiary may incur or pay under or with respect to any of the Collateral or under or by reason of its exercise of rights hereunder with the exception of any exercise of such rights by the Beneficiary in a manner so as to constitute gross negligence or willful misconduct; and any and all claims and demands whatsoever which may be asserted against the Beneficiary by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral or in any of the contracts, documents or instruments evidencing or creating any of the Collateral. The Beneficiary shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss, injury or death to any tenant, licensee, employee, stranger or other Person except to the extent the same is caused by the gross negligence or willful misconduct of the Beneficiary. No liability shall be enforced or asserted against the Beneficiary in its exercise of the powers granted to it under this Deed of Trust, and the Grantor expressly waives and releases any such liability. Should the Beneficiary incur any such liability, loss or damage under any of the Third Party Agreements or Timber Agreements or under or by reason hereof, or in the defense of any claims or demands, the Grantor agrees to reimburse the Beneficiary immediately upon demand for the full amount thereof, including reasonable costs, expenses and Attorney Costs.

ARTICLE IV

GENERAL

4.1 Permitted Acts. The Grantor agrees that, without affecting or diminishing in any way the liability of the Grantor or any other Person (except any Person expressly released in writing by the Beneficiary) for the payment or performance of any of the Obligations or for the performance of any obligation contained herein or affecting the Lien hereof upon the Collateral or any part thereof, the Beneficiary may at any time and from time to time, without notice to or the consent of any Person, subject to the Credit Agreement, release any Person liable for the payment or performance of the Loans, any Notes or any of the other Obligations or any guaranty given in connection therewith; extend the time for, or agree to alter the terms of payment of, any indebtedness under the Loans, any Notes or any of the other Obligations or any guaranty given in connection therewith; modify or waive any obligation; subordinate, modify or otherwise deal with the Lien hereof; accept additional security of any kind for repayment of the Loans, any Notes or the other Obligations or any guaranty given in connection therewith; release any Collateral or other property securing any or all of the Loans, any Notes or the other Obligations or any guaranty given in connection therewith; make releases of any portion of the Premises; consent to the making of any map or plat of the Premises; consent to the creation of a condominium regime on all or any part of the Premises or the submission of all or any part of the Premises to the provisions of any condominium act or any similar provisions of law of the state where the Premises are located, or to the creation of any easements on the Premises or of any covenants restricting the use or occupancy thereof, or exercise or refrain from exercising, or waive, any right the Beneficiary may have.

4.2 Legal Expenses. The Grantor agrees to indemnify the Beneficiary from all loss, damage and reasonable expense, including, without limitation, Attorney Costs, incurred in connection with any suit or proceeding in or to which the Beneficiary may be made or become a party for the purpose of protecting the Lien or priority of this Deed of Trust. In the event any action or proceeding is brought to enforce or interpret the provisions of this Deed of Trust, the prevailing party shall be entitled to recover, as a part of the prevailing party's costs, reasonable attorneys' fees, at trial, on appeal and in any bankruptcy proceedings, the amount of which shall be fixed by the court and made a part of any judgment rendered.

4.3 Related Documents. The Grantor covenants that it will timely and fully perform and satisfy all the terms, covenants and conditions of any and all Related Documents. If there shall be any inconsistency between the provisions of this Deed of Trust and the Credit Agreement, the terms and provisions of the Credit Agreement shall prevail.

4.4 Security Agreement; Fixture Filing. This Deed of Trust, to the extent that it conveys or otherwise deals with personal property or with items of personal property which are or may become fixtures, shall also be construed as a security agreement under the UCC, and pursuant to Oregon Revised Statutes 79.4020(6) this Deed of Trust constitutes a financing statement filed as a fixture filing in the records maintained pursuant to Oregon Revised Statutes 205.130 by the county clerk of the County in which the Premises are located for purposes of recording mortgages of real estate with respect to any and all fixtures included within the term

"Collateral" as used herein and with respect to any Goods or other personal property that may now be or hereafter become such fixtures. For purposes of the foregoing, the Grantor is the debtor (with its address as set forth below) and the Beneficiary is the secured party (with its address set forth below). If any item of Collateral hereunder also constitutes collateral granted to the Beneficiary under any other deed of trust, security agreement, document, or instrument, the Grantor shall be required to meet the obligations of all such agreements, but in the event of any conflict between the provisions of this Deed of Trust and the provisions of such other deed of trust, security agreement, document, or instrument relating to the Collateral, the provision or provisions selected by the Beneficiary shall control with respect to the Collateral.

4.5 Defeasance. Upon full payment of all indebtedness secured hereby and satisfaction of all the Obligations in accordance with their respective terms and at the time and in the manner provided, and when the Beneficiary has no further obligation to make any advance, or extend any credit hereunder, under the Loans, any Notes or any Related Documents, this conveyance shall be null and void, and thereafter, upon demand therefor, the Beneficiary shall request that the Trustee promptly deliver to the Grantor an appropriate instrument of reconveyance or release, at the expense of the Grantor.

4.6 Notices. Each notice, demand or other communication in connection with this Deed of Trust shall be in writing or by facsimile addressed or transmitted to such party at the addresses or numbers set forth below, or at such other addresses or numbers as may be designated pursuant to the Credit Agreement. All such notices, requests and communications shall, when transmitted by overnight delivery, or faxed, be effective when delivered for overnight (next-day) delivery, or transmitted in legible form by facsimile machine, respectively, or if mailed, upon the third Business Day after the date deposited into the U.S. mail, or if delivered, upon delivery.

Grantor: U.S. TIMBERLANDS KLAMATH FALLS, L.L.C.
6400 Highway 66
Klamath Falls, Oregon 97061
Attention: John J. Stephens, President
Telephone: (541) 884-2241
Facsimile: (541) 882-8872

with copy to: ANDREWS & KURTH LLP
425 Lexington Avenue
New York, NY 10017
Attention: Jon Cramer, Esq.
Telephone: (212) 850-2832
Facsimile: (212) 850-2929

Beneficiary: BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, AS AGENT
Credit Products #3838
555 California Street - 41st Floor
San Francisco, CA 94104
Attention: M.J. Balok, Managing Director

Telephone: (415) 622-2018
 Facsimile: (415) 622-2385

with copy to: **BANK OF AMERICA NATIONAL TRUST AND SAVINGS
 ASSOCIATION, AS AGENT**
 Agency Management Services #5596
 1455 Market Street - 13th Floor
 San Francisco, CA 94103
 Attention: Stephen Eiring
 Telephone: (415) 436-2782
 Facsimile: (415) 436-2700

with copy to: **MORRISON & FOERSTER LLP**
 425 Market Street
 San Francisco, CA 94105-2482
 Attention: Keith C. Wetmore, Esq.
 Telephone: (415) 268-7073
 Facsimile: (415) 268-7522

Trustee: **CHICAGO TITLE INSURANCE COMPANY**
 1011 S.E. Sunnyside Road
 Clackamas, Oregon 97015
 Telephone: (503) 653-7300
 Facsimile: (503) 653-7763

4.7 Successors; Grantor; Gender. All provisions hereof shall bind the Grantor and the Beneficiary and their respective successors, vendees and assigns and shall inure to the benefit of the Beneficiary, its successors and assigns, and the Grantor and its permitted successors and assigns. The Grantor shall not have any right to assign any of its rights hereunder except as permitted in the Credit Agreement. Except as limited by the preceding sentence, the word "Grantor" shall include all Persons claiming under or through the Grantor and all Persons liable for the payment or performance by the Grantor of any of the Obligations whether or not such Persons shall have executed the Credit Agreement, any Notes or this Deed of Trust. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

4.8 Care By Beneficiary. The Beneficiary shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral assigned by the Grantor to the Beneficiary or in the Beneficiary's possession if it takes such action for that purpose as the Grantor requests in writing, but failure of the Beneficiary to comply with any such request shall not be deemed to be (or to be evidence of) a failure to exercise reasonable care, and no failure of the Beneficiary to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by

the Grantor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

4.9 No Obligation On Beneficiary. This Deed of Trust is intended only as security for the Obligations. Anything herein to the contrary notwithstanding (i) the Grantor shall be and remain liable under and with respect to the Collateral to perform all of the obligations assumed by it under or with respect to each thereof, (ii) the Beneficiary shall have no obligation or liability under or with respect to the Collateral by reason or arising out of this Deed of Trust and (iii) the Beneficiary shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Grantor under, pursuant to or with respect to any of the Collateral.

4.10 No Waiver; Writing. No delay on the part of the Beneficiary in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Beneficiary of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy. The granting or withholding of consent by the Beneficiary to any transaction as required by the terms hereof shall not be deemed a waiver of the right to require consent to future or successive transactions.

4.11 Governing Law. THIS DEED OF TRUST SHALL BE A CONTRACT MADE UNDER AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF OREGON APPLICABLE TO CONTRACTS MADE AND TO BE PERFORMED WITHIN THE STATE OF OREGON. WHENEVER POSSIBLE, EACH PROVISION OF THIS DEED OF TRUST SHALL BE INTERPRETED IN SUCH MANNER AS TO BE EFFECTIVE AND VALID UNDER APPLICABLE LAW, BUT IF ANY PROVISION OF THIS DEED OF TRUST SHALL BE PROHIBITED BY OR INVALID UNDER APPLICABLE LAW, SUCH PROVISION SHALL BE INEFFECTIVE TO THE EXTENT OF SUCH PROHIBITION OR INVALIDITY, WITHOUT INVALIDATING THE REMAINDER OF SUCH PROVISION OR THE REMAINING PROVISIONS OF THIS DEED OF TRUST.

4.12 Waiver. The Grantor, on behalf of itself and all Persons now or hereafter interested in the Premises or the Collateral, to the fullest extent permitted by applicable law hereby waives all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension, reinstatement and redemption statutes, laws or equities now or hereafter existing, and hereby further waives the pleading of any statute of limitations as a defense to any and all Obligations secured by this Deed of Trust, and the Grantor agrees that no defense, claim or right based on any thereof will be asserted, or may be enforced, in any action enforcing or relating to this Deed of Trust or any of the Collateral. Without limiting the generality of the preceding sentence, the Grantor, on its own behalf and on behalf of each and every Person acquiring any interest in or title to the Premises subsequent to the date of this Deed of Trust, hereby irrevocably waives any and all rights of redemption from sale under any order or decree of foreclosure of this Deed of Trust or under any power contained herein or under any sale pursuant to any statute, order, decree or judgment of any court. The Grantor, for itself and for all Persons hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Deed of Trust, hereby expressly waives and releases all rights to direct the order in which any of the Collateral shall be sold in the event of any sale or sales pursuant hereto and to have any of the Collateral and/or any other property now or hereafter constituting security for any

of the indebtedness secured hereby marshaled upon any foreclosure of this Deed of Trust or of any other security for any of said indebtedness.

4.13 No Merger. It being the desire and intention of the parties hereto that this Deed of Trust and the lien hereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should the Beneficiary acquire an additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by the Beneficiary as evidenced by an express statement to that effect in an appropriate document duly recorded, this Deed of Trust and the Lien hereof shall not merge in the fee simple title, toward the end that this Deed of Trust may be foreclosed as if owned by a stranger to the fee simple title.

4.14 Beneficiary Not Joint Venturer Or Partner. The Grantor and the Beneficiary acknowledge and agree that in no event shall the Beneficiary be deemed to be a partner or joint venturer with the Grantor. Without limitation of the foregoing, the Beneficiary shall not be deemed to be such a partner or joint venturer on account of the Beneficiary becoming a mortgagee in possession or exercising any rights pursuant to this Deed of Trust or pursuant to any other instrument or document evidencing or securing any of the Obligations secured hereby, or otherwise.

4.15 Time Of Essence. Time is declared to be of the essence in this Deed of Trust, the Credit Agreement, any Notes and the Related Documents and of every part hereof and thereof.

4.16 No Third Party Benefits. This Deed of Trust, any Notes and the other Related Documents are made for sole benefit of the Grantor and the Beneficiary and, subject to the provisions of Section 4.7, above, their successors and assigns, and no other party shall have any legal interest of any kind under or by reason of any of the foregoing. Whether or not the Beneficiary elects to employ any or all of the rights, powers or remedies available to it under any of the foregoing, the Beneficiary shall have no obligation or liability of any kind to any third party by reason of any of the foregoing or any of the Beneficiary's actions or omissions pursuant thereto or otherwise in connection with this transaction.

4.17 Trustee; Successor Trustee; Exculpation. With or without cause, at any time, the Beneficiary shall have the authority and power to name, constitute and appoint, without any formality whatsoever other than an appointment and designation in writing signed by the Beneficiary or its agent or officer (whose authority shall be presumed) and other than such acts as are required by law, another trustee in the place and stead of the Trustee or in the place and stead of any other trustee later substituted therefor, all of whom successively shall, while so acting, have all of the title, rights, powers and authority and be charged with all of the duties that are conferred or charged upon the Trustee; and the conveyance by Trustee, or by any trustee later substituted therefor as aforesaid, to the purchasers) at any sale as herein provided for shall be equally valid and effective. Trustee shall have no duties and shall not be obligated to perform any acts other than those herein expressly set forth or intended. Trustee shall not incur any personal liability hereunder, except for its own willful neglect or default; and Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by it hereunder, believed by it in good faith to be genuine. Trustee shall be entitled to

reimbursement for all reasonable expenses incurred by it in the performance of its duties, and shall be entitled to reasonable compensation for such of its services as shall be rendered.

4.18 Invalidity Of Certain Provisions. Every provision of this Deed of Trust is intended to be severable. In the event any term or provision hereof or any application of any provision is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair the legality, validity or enforceability of the balance of the terms and provisions hereof or any other application of such provision or of the other Related Documents, or of such provisions in any other jurisdiction or the application of such provisions in any other jurisdiction and such terms and provisions shall remain binding and enforceable. If the lien of this Deed of Trust is invalid or unenforceable as to any part of the Obligations secured hereby, or if the lien is invalid or unenforceable as to any part of the Collateral, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations which is not secured or fully secured by the lien of this Deed of Trust.

4.19 Trust Irrevocable; No Claim. The trust created hereby is irrevocable by the Grantor. No claim that the Grantor now or may in the future have against the Beneficiary shall relieve the Grantor from performing any of its Obligations contained herein or secured hereby; provided that the preceding clause shall not constitute a waiver of such claim.

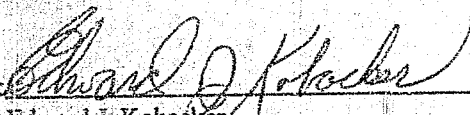
4.20 Further Acts, Cooperation. The Grantor will, at the cost of the Grantor, and without expense to the Beneficiary, do, execute, acknowledge and deliver all and every such further reasonable acts, deeds, conveyances, mortgages, deeds of trust, assignments, notices of assignments, transfers and assurances as the Beneficiary shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto the Beneficiary the property and rights hereby mortgaged, given, granted, bargained, sold, aliened, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated or intended now or hereafter so to be, or which the Grantor may be or may hereafter become bound to convey or assign to the Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust and, on demand, will execute and deliver and hereby authorizes the Beneficiary to execute in the name of the Grantor or without the signature of the Grantor to the extent the Beneficiary may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Collateral. The Grantor grants to the Beneficiary an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to the Beneficiary at law and in equity, including without limitation such rights and remedies available to the Beneficiary pursuant to this Section 4.20.

4.21 Written Agreements. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY LENDERS AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR

PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE LENDER TO BE ENFORCEABLE. 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 OREGON REVISED STATUTES 30.930.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Deed of Trust on the day and year first above written.

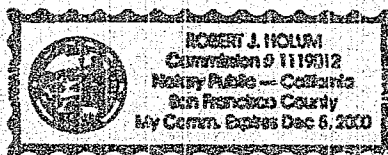
U.S. TIMBERLANDS KLAMATH FALLS, L.L.C.,
a Delaware limited liability company

By: 
Edward J. Kobacker,
Vice President

Attest: _____
Name: _____
Title: _____

State of CaliforniaCounty of San FranciscoOn July 11, 1997 before me, Robert J. Holum, Notary Public
Date Name, Title of Officerpersonally appeared Edward Joseph Kobacker
Name(s) of Signer(s)

☐ personally known to me -OR- ☒ proved to me on the basis of satisfactory evidence to be the person~~s~~ whose name~~s~~ is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity~~(ies)~~, and that by his/~~her~~/their signature~~s~~ on the instrument the person~~s~~ or the entity upon behalf of which the person~~s~~ acted, executed the instrument.



WITNESS my hand and official seal.

Signature of Notary

OPTIONAL

Though the data below is not required by law, it may prove valuable to the persons relying on the document and could prevent fraudulent reattachment of this form.

CAPACITY CLAIMED BY SIGNER

- ☐ INDIVIDUAL
☐ CORPORATE OFFICER

Title(s)

- ☐ PARTNER(S) ☐ LIMITED
☐ GENERAL
☐ ATTORNEY-IN-FACT
☐ TRUSTEE(S)
☐ GUARDIAN/CONSERVATOR
☐ OTHER: _____

SIGNER IS REPRESENTING:

Name of Person(s) or Entity(ies)

DESCRIPTION OF ATTACHED DOCUMENT

Title or Type of Document

Number of Pages

Date of Document

SIGNER(S) OTHER THAN NAMES ABOVE

EXHIBIT "A"
LEGAL DESCRIPTION

22175

PARCEL 1:

Section 32 - Government Lots 1, 2, 3 and 4, N1/2, N1/2 S1/2

Township 38 South, Range 5 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, SE1/4 NW1/4, S1/2 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 - E1/2 W1/2, E1/2
Section 9 - All
Section 10 - All
Section 12 - NW1/4, S1/2 NE1/4, SE1/4, S1/2 SW1/4
Section 14 - All
Section 15 - All
Section 16 - All
Section 17 - E1/2 NE1/4, SE1/4, S1/2 SW1/4
Section 18 - Government Lots 1, 2, 3 and 4, E1/2 NW1/4, E1/2 SW1/4, SE1/4
Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
Section 20 - All
Section 21 - N1/2, N1/2 S1/2, SE1/4 SW1/4, S1/2 SE1/4
Section 22 - All
Section 23 - All
Section 24 - All
Section 25 - All
Section 26 - All
Section 27 - All
Section 28 - All
Section 29 - NE1/4, S1/2
Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
Section 31 - Government Lots 3 and 4, E1/2 SW1/4, SE1/4
Section 32 - All
Section 33 - N1/2, SE1/4, E1/2 SW1/4
Section 34 - All
Section 35 - All
Section 36 - All

All being in Township 39 South, Range 5 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, SE1/4 NW1/4, S1/2 NE1/4, SE1/4, E1/2 SW1/4
 Section 7 - E1/2
 Section 8 - All
 Section 9 - All
 Section 10 - All
 Section 11 - All
 Section 12 - All
 Section 13 - All
 Section 14 - All
 Section 15 - All
 Section 16 - All
 Section 17 - All
 Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 20 - All
 Section 21 - All
 Section 22 - All
 Section 23 - N1/2
 Section 24 - All
 Section 26 - All
 Section 27 - All
 Section 28 - All
 Section 29 - All
 Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 31 - NE1/4, N1/2 SE1/4, NE1/4 SW1/4, SE1/4 NW1/4
 Section 32 - All
 Section 33 - All
 Section 34 - All
 Section 36 - All

All being in Township 40 South, Range 5 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lot 3, SE1/4 NW1/4, W1/2 SE1/4
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 6 - Government Lots 1, 2, 3, 4, 5, and 6, SE1/4 NW1/4, S1/2 NE1/4, SE1/4, E1/2 SW1/4
 Section 8 - N1/2, SE1/4
 Section 9 - All
 Section 10 - N1/2, NE1/4 SW1/4, N1/2 NW1/4 SW1/4, SE1/4 SW1/4, SE1/4
 Section 11 - N1/2 NW1/4, SW1/4
 Section 14 - Government Lots 3 and 4
 Section 16 - Government Lots 1, 2, 3 and 4

All being in Township 41 South, Range 5 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 5:

Section 3 - Government Lot 7, SE1/4 SW1/4, S1/2 SE1/4
 Section 4 - Government Lots 1 and 2, S1/2 NE1/4
 Section 6 - Government Lots 1, 2, 6 and 7, S1/2 NE1/4, SE1/4, E1/2 SW1/4
 Section 8 - All
 Section 10 - SE1/4 NW1/4, E1/2 SW1/4, W1/2 E1/2, Government Lot 4
 Section 15 - Government Lots 1 and 5, NE1/4 NW1/4, N1/2 NE1/4, NE1/4 SW1/4
 Section 16 - All
 Section 18 - Government Lot 4, SE1/4 SW1/4, S1/2 SE1/4
 Section 20 - N1/2, SE1/4
 Section 21 - NE1/4, E1/2 SE1/4
 Section 22 - S1/2, NE1/4, W1/2 NW1/4, NE1/4 NW1/4
 Section 23 - Government Lots 1, 2, 5 and 6, E1/2 NW1/4, W1/2 NE1/4, NW1/4 SE1/4, NE1/4 SW1/4
 Section 26 - N1/2 NE1/4, SE1/4 NE1/4, NW1/4, S1/2
 Section 27 - N1/2, N1/2 SW1/4, SE1/4
 Section 28 - E1/2 NE1/4, SE1/4, S1/2 NW1/4, NW1/4 SW1/4
 Section 30 - SW1/4
 Section 32 - All
 Section 33 - NW1/4 NE1/4
 Section 34 - NE1/4, S1/2 NW1/4, S1/2
 Section 35 - NW1/4 NE1/4 less strips for existing public roads, S1/2 NE1/4 less strips
 for existing public roads, N1/2 SW1/4, SW1/4 NW1/4, N1/2 NW1/4
 Section 36 - All, less strips for existing public roads

All being in Township 38 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 6:

Section 1 - Fractional N1/2 N1/2 (also described as Government Lots 1, 2, 3 and 4)
 less strip for existing public road, S1/2 N1/2 less strip for existing public road, S1/2
 Section 2 - Fractional N1/2 N1/2 (also described as Government Lots 1, 2, 3 and 4) S1/2 N1/2,
 S1/2
 Section 3 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 4 - Government Lots 3 and 4, S1/2 NW1/4, SW1/4
 Section 8 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 9 - Government Lots 1, 2, 3 and 4, W1/2 E1/2
 Section 10 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 11 - All
 Section 12 - All
 Section 13 - All
 Section 14 - All
 Section 15 - SE1/4
 Section 16 - Government Lots 1, 2, 3 and 4, W1/2 E1/2, W1/2
 Section 20 - Government Lots 1, 2, 3, 6, 7, 8, 9, 10, 11, 13, 14, 15 and 16
 Section 21 - W1/2 E1/2, Government Lots 1, 2, 3 and 4
 Section 22 - All
 Section 23 - All
 Section 24 - All
 Section 25 - All
 Section 26 - All
 Section 27 - All
 Section 28 - Government Lots 1, 2, 3 and 4, W1/2 E1/2, W1/2
 Section 29 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 32 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 33 - Government Lots 1, 2, 3 and 4, W1/2 E1/2, W1/2

-continued-

-Parcel 6 continued-

Section 34 - Government Lots 1, 2, 3, 4 and 5, E1/2 SW1/4, SE1/4 NW1/4, E1/2
 Section 35 - All
 Section 36 - All

All being in Township 39 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 7:

Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, and 3, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, SE1/4 NW1/4, E1/2 SW1/4, SE1/4, S1/2 NE1/4

EXCEPTING THEREFROM a parcel of land lying in Government Lot 5, Section 6, Township 40 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows: Beginning at a point on the township line which is 1,016.2 feet North of the West quarter corner of said Section 6, Township 40 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, the said point being Station 1012+51.5 of the Jenny Creek-Keno section of the Green Springs Highway; thence South 82 degrees 03' East along the center line of said highway a distance of 436.4 feet; thence on a 477.5 foot radius curve left (the long chord of which bears South 87 degrees 33 1/2' East) a distance of 91.8 feet; thence North 86 degrees 56' East a distance of 86.2 feet; thence South 13 degrees 35' West a distance of 404.5 feet; thence due West a distance of 514.6 feet to the West line of said Section 6; thence due North a distance of 460.6 feet to the point of beginning, said course being along the West line of said Section 6.

Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 8 - All
 Section 9 - All
 Section 10 - All
 Section 12 - Government Lot 1, SE1/4 NE1/4, E1/2 SE1/4
 Section 14 - W1/2
 Section 15 - All
 Section 16 - All
 Section 17 - All
 Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 20 - All
 Section 21 - All
 Section 22 - All
 Section 24 - All
 Section 25 - All
 Section 26 - E1/2
 Section 28 - All
 Section 29 - All
 Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 31 - SE1/4 NW1/4, NE1/4 SW1/4, W1/2 SE1/4
 Section 32 - All
 Section 33 - N1/2 NE1/4, SW1/4 NE1/4, W1/2, W1/2 SE1/4
 Section 34 - NW1/4, N1/2 SW1/4, SW1/4 SW1/4
 Section 36 - All

All being in Township 40 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 8:

Section 2 - NE1/4
 Section 4 - N1/2 N1/2
 Section 6 - N1/2 NE1/4
 Section 9 - SW1/4
 Section 12 - All
 Section 16 - Government Lots 1, 2, 3 and 4

All being in Township 41 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 9:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 7 - S1/2 SE1/4
 Section 8 - S1/2 N1/2, S1/2
 Section 9 - All
 Section 10 - All
 Section 11 - All
 Section 12 - All
 Section 13 - All
 Section 14 - All
 Section 15 - All
 Section 16 - All
 Section 17 - All
 Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 20 - All
 Section 21 - All
 Section 22 - All
 Section 23 - All
 Section 24 - All
 Section 25 - All
 Section 26 - All
 Section 27 - All
 Section 28 - All EXCEPT the following:

A parcel of land being situate in the SE1/4 of Section 28, Township 28 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of Section 28, Township 28 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon; thence North 77 degrees 59' 42" West 596.16 feet to the center point of aforesaid site; thence South 24 degrees 49' 06" West 100.00 feet to a point marked by a stake on the Southerly line of said site, said point being the True Point of Beginning of this description; thence North 65 degrees 10' 54" West 100.00 feet to a point marked by a stake; thence North 24 degrees 49' 06" East 200.00 feet to a point marked by a stake; thence South 65 degrees 10' 54" East 200.00 feet to a point marked by a stake; thence South 24 degrees 49' 06" West 200.00 feet to a point marked by a stake; thence North 65 degrees 10' 54" West 100.00 feet, more or less, to the True Point of Beginning.

Section 29 - N1/2 N1/2
 Section 30 - N1/2 NE1/4 and Government Lot 4

-continued-

Parcel 9 continued-

Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2

Section 32 - NE1/4, S1/2

Section 33 - All

Section 34 - W1/2 NW1/4, NE1/4 NE1/4, N1/2 SE1/4 NE1/4, E1/2 NW1/4, SW1/4, S1/2 NW1/4 SE1/4, S1/2 SE1/4

Section 35 - All

Section 36 - All

All being in Township 28 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the timber as conveyed by Timber Deed, recorded February 11, 1997 at Volume M97, page 4248, Microfilm Records of Klamath County, Oregon, wherein U.S. Timberlands Klamath Falls LLC is grantor and Crown Pacific Limited Partnership is grantee. Grantee's right to enter upon said property and remove the timber therefrom shall terminate at midnight February 10, 2000.

PARCEL 10:

Section 1 - All EXCEPT the SE1/4 SE1/4 and that portion described in deed to Klamath County for Diamond Lake Highway recorded May 5, 1931 in Deed Book 95, page 202, Deed Records of Klamath County, Oregon.

Section 2 - All EXCEPT that portion described in deed recorded February 26, 1953 in Deed Book 259, page 338, Deed Records of Klamath County, Oregon; and that portion described in deed to Klamath County for Diamond Lake Highway recorded May 5, 1931 in Deed Book 95, page 202, Deed Records of Klamath County, Oregon.

Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2

Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2

Section 6 - Government Lots 1, 2, 3, 4 and 5, SE1/4 NW1/4, S1/2 NE1/4

All being in Township 29 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the timber as conveyed by Timber Deed, recorded February 11, 1997 at Volume M97, page 4248, Microfilm Records of Klamath County, Oregon, wherein U.S. Timberlands Klamath Falls LLC is grantor and Crown Pacific Limited Partnership is grantee. Grantee's right to enter upon said property and remove the timber therefrom shall terminate at midnight February 10, 2000.

PARCEL 11:

Section 21 - Government Lot 1

Section 27 - Government Lots 1, 2, 3, 4 and 5, SW1/4, SW1/4 SE1/4

Section 28 - Government Lots 1 and 2, NE1/4, E1/2 SE1/4, NW1/4 SE1/4

EXCEPTING the following: Beginning at the Northwest corner of said NW1/4 SE1/4; thence South along the West line of said NW1/4 SE1/4 to the Southwest corner thereof; thence East along the South line of said NW1/4 SE1/4 to the Southeast corner thereof; thence Northwesterly along a straight line to the point of beginning.

Section 33 - That portion of Government Lot 1, more particularly described as follows: Beginning at the Northeast corner of said Section 33; thence West along the North line thereof to the Southwest corner of the SE1/4 SE1/4 of Section 28; thence Southeasterly along a straight line to the Southeast corner of said Government Lot 1; thence North along the East line of said Section 33 to the point of beginning.

Section 34 - Government Lot 6, NW1/4 NE1/4, N1/2 NW1/4, SW1/4 NE1/4, SE1/4 NW1/4, The East 60 feet of the E1/2 SW1/4, that portion of the SW1/4 NW1/4, more particularly described as follows: Beginning at the Northwest corner of said SW1/4 NW1/4; thence

(continued)

Parcel 11 (continued)

Southeasterly along a straight line to the Southeast corner of said SW1/4 NW1/4; thence North along the East line of said SW1/4 NW1/4 to the Northeast corner thereof; thence West along the North line of said SW1/4 NW1/4 to the point of beginning.
 Section 35 - Government Lots 2 and 3, and the SE1/4 SE1/4
 Section 36 - Government Lot 6, S1/2 SW1/4

All being in Township 36 South, Range 7 East of the Willamette Meridian West of Lake, Klamath County, Oregon.

PARCEL 12:

Section 1 - NW1/4, NW1/4 NE1/4, S1/2 NE1/4, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, NE1/4 NE1/4, S1/2 NE1/4, NE1/4 SW1/4, S1/2 SW1/4, SE1/4
 Section 3 - Government Lot 1, NW1/4 NE1/4, S1/2 NE1/4, S1/2, the East 60 feet of the NE1/4 NW1/4, the S1/2 NW1/4 EXCEPTING the following: Beginning at the Northeast corner of said S1/2 NW1/4; thence West along the North line of S1/2 NW1/4 to the Northwest corner thereof; thence South along the West line of said S1/2 NW1/4 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 SE1/4 SE1/4, lying Easterly of a straight line extending Southwesterly from the Northeast corner of said Government Lot 6 to the Southwest corner of the SE1/4 SE1/4.
 Section 9 - The E1/2 E1/2 less strip for highway in SE1/4 NE1/4 and the E1/2 SE1/4; SW1/4 SE1/4, SE1/4 SW1/4, the SW1/4 SW1/4 excepting the following: Beginning at the Southwest corner of said SW1/4 SW1/4; thence North along the West line of said SW1/4 SW1/4 to the Northwest corner thereof; thence East along the North line of said SW1/4 SW1/4 to the Northeast corner thereof; thence Southwesterly along a straight line to the point of beginning.
 Section 10 - All, less 1.77 acres in SW1/4 SW1/4 for State Highway
 Section 11 - N1/2, SW1/4, W1/2 SE1/4
 Section 12 - All
 Section 13 - All
 Section 14 - NW1/4 NE1/4, S1/2 NE1/4, NW1/4, N1/2 SW1/4, SW1/4 SW1/4, less .76 acre in State Highway, SE1/4 SW1/4, SE1/4
 Section 15 - All, less 16.20 acres in highway
 Section 16 - All
 Section 17 - NE1/4, S1/2 NW1/4, S1/2
 Section 19 - Government Lots 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15 and 16
 Section 20 - All
 Section 21 - All
 Section 22 - All
 Section 23 - All, less 15.63 acres in highway
 Section 24 - Government Lots 1, 2, 3, 4 and 5, E1/2 NW1/4, W1/2 W1/2
 Section 25 - Government Lots 1 and 2, NW1/4 NW1/4, W1/2 SW1/4, less strips in highway in Government Lot 2, NW1/4 NW1/4 and less tract in Government Lot 2 and W1/2 SW1/4 in as described in Volume M96, page 25713, Microfilm Records of Klamath County, Oregon
 Section 26 - All, less 3.34 acres in NE1/4 NE1/4 for highway
 Section 27 - All
 Section 28 - All
 Section 29 - All
 Section 30 - Fractional E1/2
 Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 32 - All
 Section 33 - All
 Section 34 - All
 Section 35 - All
 Section 36 - Government Lots 1, 2, 3 and 4, SW1/4 SE1/4, NW1/4 NW1/4, S1/2 NW1/4, SW1/4, less 34.18 acres in highway and less tract described in Volume M96, page 25713, Microfilm Records of Klamath County, Oregon

All being in Township 37 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 13:

- Section 1 - All EXCEPT a 2.02 acre strip for highway in Government Lot 1 and less that certain 17.46 tract in the Fractional E1/2 NE1/4 as described in Volume M96, page 25713, Microfilm Records of Klamath County, Oregon
- Section 2 - All
- Section 3 - All
- Section 4 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, S1/2 NW1/4, SW1/4, SW1/4 NE1/4, W1/2 SE1/4
- Section 5 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10, W1/2 NW1/4, SW1/4, S1/2 NE1/4, E1/2 SE1/4
- Section 6 - All
- Section 7 - All
- Section 8 - Government Lots 1, 2, 3, 4, 5, 6, 7 and 8, W1/2 W1/2, E1/2 E1/2
- Section 9 - Government Lots 1, 2, 3, 4, 5, 6, 7 and 8, W1/2, W1/2 NE1/4, NW1/4 SE1/4
- Section 10 - All
- Section 11 - All
- Section 12 - All
- Section 13 - All
- Section 14 - All
- Section 15 - All
- Section 16 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11 and 12, N1/2 NW1/4, SE1/4 NE1/4, SE1/4, SW1/4 SW1/4
- Section 17 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 11, NE1/4 NE1/4, NW1/4 SE1/4, SW1/4, W1/2 NW1/4
- Section 18 - All
- Section 19 - All
- Section 20 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13 and 14, NE1/4 NE1/4, SW1/4 NE1/4, W1/2 SE1/4, E1/2 SW1/4, SE1/4 NW1/4
- Section 21 - Government Lots 1, 2, 3 and 4, SE1/4 NW1/4, E1/2, SW1/4
- Section 22 - All
- Section 23 - All
- Section 24 - Government Lots 1, 2 and 3, N1/2 NE1/4, SW1/4 NE1/4, W1/2 SE1/4, W1/2
- Section 25 - Government Lot 1, SE1/4 NE1/4, E1/2 SE1/4, W1/2 E1/2, W1/2
- Section 26 - All
- Section 27 - All
- Section 28 - All
- Section 29 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8 and 9, NE1/4 NW1/4, SE1/4 NE1/4, SE1/4, S1/2 SW1/4, NW1/4 SW1/4
- Section 30 - All
- Section 31 - All
- Section 32 - All
- Section 33 - All
- Section 34 - All
- Section 35 - N1/2, SW1/4, NW1/4 SE1/4, Government Lots 1 and 2 EXCEPT that portion described in Deed recorded February 10, 1987 in Volume M87, page 2190, Microfilm Records of Klamath County, Oregon; and
 A portion of Government Lots 3 and 4, Section 35, Township 38 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, being that property described in Volume M87, page 2193, Microfilm Records of Klamath County, Oregon, more particularly described: Beginning at the Round Lake Meander Line angle point number one, which is North 22 degrees 49' 23" West, 1,593.30 feet from the Meander Corner common to Section 35, Township 38 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon and Section 2, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon; thence South 22 degrees 49' 23" East along said Meander Line, 248.86 feet; thence North 17 degrees 40' 31" West, 64.62 feet; thence North 04 degrees 33' 21" West, 199.74 feet to a point

-continued-

-Parcel 13 continued-

on said Meander Line; thence South 62 degrees 51' 25" West along said Meander Line, 68.60 feet to the point of beginning.
 Section 36 - Government Lots 1 and 2, NE1/4, N1/2 NW1/4, EXCEPT that portion contained in Deed, recorded February 10, 1987 in Volume M87, page 2190, Microfilm Records of Klamath County, Oregon.

Section 36 - Government Lots 3 and 4 EXCEPTING THEREFROM the following:
 Commencing at the East quarter corner of said Section 36; thence South along the East line of said section 676.0 feet to a 1 1/4" iron pipe 30 inches long which is the true point of beginning; thence South 75 degrees 32' West a distance of 820.13 feet to a 1 1/4" iron pipe 30 inches long; thence North 79 degrees 54' West a distance of 647.74 feet to a 1 1/4" iron pipe 30 inches long; thence North 64 degrees 25' West a distance of 692.67 feet to a 1 1/4" iron pipe 30 inches long; thence North 57 degrees 56' West a distance of 530.90 feet to a 1 1/4" iron pipe 30 inches long; thence North 77 degrees 24' West a distance of 169.01 feet, more or less, to a point on the West line of Government Lot 3, said point being marked by a 1 1/4" iron pipe 30 inches long; thence South along said West line a distance of 284.04 feet, more or less, to an intersection with the meander line, said point being marked by a 1 1/4" iron pipe 30 inches long; thence South 73 degrees 21' East along said meander line a distance of 2,786.44 feet, more or less, to the meander corner on the East line of said Section 36; thence North along said East line a distance of 555.66 feet, more or less, to the true point of beginning and containing 12.54 acres, more or less, of which 4.31 acres are in said Government Lot 3 and 8.23 acres are in said Government Lot 4.

All being in Township 38 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 14:

Sections 1, 2 and 12 - EXCEPTING THEREFROM parts of Government Lot 1 and 2 of Section 1, a part of the Fractional E1/2 of the E1/2 of Section 2, and parts of Government Lots 3 and 1, a part of the NW1/4 of the NW1/4 and a part of Government Lot 2, Section 12, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, described as Parcel 5 of Volume M88, page 11854 Microfilm Records of Klamath County, Oregon, more particularly described as follows:

Beginning at the point of Intersection of the East line of Government Lot 3 of said Section 12, with the meander line of Round Lake, from which point the meander corner on the East line of said Section 12 bears South 49 degrees 56' 30" East, 1713.2 feet distant; thence Northerly along said meander line as follows:

- (1) North 59 degrees 35' 30" West, 774.1 feet to a point;
- (2) North 47 degrees 48' 00" West, 1313.8 feet to a point;
- (3) North 55 degrees 04' 30" West, 986.6 feet to a point; said point being hereinafter referred to as "Point X";
- (4) North 17 degrees 35' 00" West, 838.1 feet to the meander corner on the North line of said Section 12;
- (5) North 57 degrees 35' 00" West, 987.1 feet to a point; said point being hereinafter referred to as Point "Y";
- (6) North 10 degrees 16' 30" West, 2157.3 feet to a point;
- (7) North 5 degrees 13' 00" West, 980.3 feet to a point;

-continued-

-Parcel 14 continued-

(8) North 20 degrees 56' 00" West, 87.0 feet to the meander corner on the West line of said Section 1; and

(9) North 23 degrees 22' 30" West, 1701.9 feet to the meander corner on the North line of said Section 2; thence North 89 degrees 56' 00" West, leaving said meander line, along said North section line, 32.7 feet, more or less, to the point of intersection of said North line with a parallel to and 30 feet distant Westerly from, when measured at right angles to, the last herein described course of said meander line, said point of intersection being marked by an iron pipe 1 1/4" in outside diameter, 30 inches long and driven into the ground as are all angle points on, and the Southerly terminus of, the Westerly line of the real property hereby described so marked; thence Southerly parallel to and 30 feet distant Westerly from said meander line, as follows:

(1) South 23 degrees 22' 30" East, 1714.0 feet, more or less, to a point on the bisector of the re-entrant angle first on said meander line;

(2) South 20 degrees 56' 00" East, 82.4 feet, more or less, to a point on the bisector of the re-entrant angle next on said meander line; and

(3) South 5 degrees 13' 00" East, 977.4 feet, more or less, to a point on the bisector of the salient angle next on said meander line;

(4) South 10 degrees 16' 30" East, 429.0 feet to a point; thence South 50 degrees 47' 00" West, leaving said parallel line, 1553.4 feet to a point; thence South 63 degrees 53' 00" East, 1710.6 feet, more or less, to a point which is South 8 degrees 16' 30" West, 38.9 feet from Point Y; thence South 45 degrees 52' 30" East, 921.3 feet to a point; thence South 31 degrees 19' 30" East, 780.5 feet, more or less, to the point of intersection of the bisector of the salient angle at Point X and a line which is parallel and 30 feet distant Westerly from when measured at right angles to, said meander line; thence Southerly parallel to and 30 feet distant Westerly from said meander line, as follows:

(1) South 55 degrees 04' 30" East, 994.8 feet, more or less, to a point on the bisector of the re-entrant angle next on said meander line; and

(2) South 47 degrees 48' 00" East, 1315.0 feet, more or less, to a point on the bisector of the salient angle next on said meander line; thence South 49 degrees 35' 00" East, leaving said parallel line, 899.8 feet, more or less, to a point of the East line of Government Lot 3 of said Section 12; said point being the Southerly terminus of said Westerly line and being the Northwest corner of a tract of land in Government Lot 4 of said Section 12, conveyed by Louis W. Soukup and wife, to Weyerhaeuser Timber Company by a deed dated October 7, 1953, recorded in Deed Volume 264 at page 617, Records of Klamath County, Oregon; thence North 00 degrees 07' 00" East, along said East lot line, 216.00 feet, more or less, to the point of beginning.

Section 12 - A part of Government Lot 4, more particularly described as follows:
Beginning at a point on the South line of said Government Lot 4, said point being 246.2 feet West of the Southeast corner of said government lot, and is marked by a 1 1/4" iron pipe 30 inches long; thence North 38 degrees 30' West a distance of 395.5 feet to a 1 1/4" iron pipe 30 inches long; thence North 13 degrees West a distance of 243.8 feet to a 1 1/4" iron pipe 30 inches long; thence North 39 degrees West a distance of 509.0 feet to a 1 1/4" iron pipe 30 inches long; thence North 77 degrees West a distance of 458.0 feet, more or less, to a point on the West line of said government lot; thence South along the West line of said government lot 1,042.0 feet, more or less, to the Southwest corner of said government lot; thence East along the South line of said government lot 1,074.0 feet, more or less, to the point of beginning, containing 16.70 acres, more or less.

Section 3 - All
Section 4 - All

-continued-

-Parcel 14 continued-

- Section 5 - All, less a strip in N1/2 SW1/4, SE1/4 SW1/4 and S1/2 SE1/4 for existing public road
 Section 6 - All, less a strip in N1/2 SW1/4 and N1/2 SE1/4 for existing public road
 Section 7 - All
 Section 8 - All, less a strip in NE1/4 NE1/4 for existing public road
 Section 9 - All, less a strip in NW1/4 NW1/4, S1/2 NW1/4, N1/2 SW1/4, SE1/4 SW1/4 and SW1/4 SE1/4 for existing public road
 Section 10 - All
 Section 11 - All
 Section 13 - All
 Section 14 - All
 Section 15 - Government Lots 1 and 2, N1/2 SW1/4, N1/2, SE1/4, less a strip for existing public road
 Section 16 - Government Lot 1, SW1/4 SE1/4, N1/2 SE1/4, less a strip for existing public road, SW1/4, N1/2
 Section 17 - All
 Section 18 - All
 Section 19 - N1/2 NW1/4, NE1/4, NE1/4 SE1/4, S1/2 SE1/4, SW1/4
 Section 20 - All
 Section 21 - Government Lot 1 being a portion of the NE1/4 NE1/4, Government Lot 1 being a portion of the SE1/4 SW1/4, NW1/4, W1/2 NE1/4, SE1/4 NE1/4, N1/2 SE1/4, SE1/4 SE1/4, N1/2 SW1/4, SW1/4 SW1/4
 Section 22 - Government Lots 1 and 2, S1/2 NW1/4, NE1/4, S1/2, less a strip in NE1/4 NE1/4 for existing public road
 Section 23 - All, less a strip in the SW1/4 NE1/4, NW1/4 NW1/4, S1/2 NW1/4, NE1/4 SW1/4, NW1/4 SE1/4 and S1/2 SE1/4 for existing public road
 Section 24 - N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4
 Section 25 - 66 foot wide strip in S1/2 SW1/4 as described in Volume 288, page 558, Microfilm Records of Klamath County, Oregon, SE1/4 SW1/4 SW1/4 lying Southeasterly of North line of 66 foot strip, 66 foot wide strip in S1/2 SE1/4 SW1/4 and SW1/4 SW1/4 SE1/4
 Section 26 - N1/2, less a strip for highway in NE1/4 NE1/4, NE1/4 SW1/4, SE1/4 SW1/4 less tract sold by Volume M70, page 2243, Microfilm Records of Klamath County, Oregon, SE1/4 SE1/4 lying Southeasterly of Northwesterly line of 66 foot wide strip, NW1/4 SE1/4, SW1/4 SE1/4 less tract sold by Volume M70, page 2243, Microfilm Records of Klamath County, Oregon.
 Section 27 - N1/2 NE1/4, S1/2 SW1/4, SW1/4 SE1/4
 Section 28 - Government Lots 7 and 8, S1/2 S1/2
 Section 29 - N1/2 NW1/4 less 2.07 acre tract in NW1/4 NW1/4 sold by July 23, 1958 Deed, SE1/4 SE1/4
 Section 30 - NW1/4 NE1/4 EXCEPT the SW1/4 NW1/4 NE1/4; Government Lots 1, 2, 3, and 4, N1/2 NE1/4 NE1/4 NW1/4, NW1/4 NE1/4 NW1/4, NW1/4 NW1/4, S1/2 NW1/4, NE1/4 SW1/4, W1/2 SW1/4, and SE1/4 SW1/4 EXCEPTING therefrom parts of Government Lots 2 and 1, the E1/2 of SW1/4, and Government Lots 3 and 4 of Section 30 and the NW1/4 of NE1/4 of Section 31, more particularly described as follows:

Beginning at the Northeast corner of said Section 30; thence South 0 degrees 08' West along the East line of said Section for a distance of 1,812.82 feet to a point marked by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, set in a rock mount, said point being the true point of beginning of this description; thence South 86 degrees 17' West for a distance of 0.92 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 8, said iron pipe, as are all other iron pipes mentioned in this description, being referenced by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, driven adjacent thereto until its top is 10 inches above the ground; thence North 75 degrees 46' West for a distance of 460.81 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 7; thence South 72 degrees 24' West

-continued-

-Parcel 14 continued-

for a distance of 1,183.71 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 6; thence North 75 degrees 06' West for a distance of 516.19 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 5; thence South 36 degrees 06' West for a distance of 1,396.82 feet to a point marked by an iron pipe, 3/4 inch in diameter, and driven flush with the ground and designated WT 4; thence South 2 degrees 46' West for a distance of 1,031.45 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 3; thence South 41 degrees 00' East (at distance of 1,540.84 feet crossing the South line of said Section 30 at a point which is 767.05 feet distant South 88 degrees 34' East from the South quarter corner thereof) for a distance of 1,542.89 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 2; thence South 39 degrees 59' East for a distance of 660.00 feet to a point marked by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, driven in the ground until its top is 10 inches above the ground; thence continuing South 39 degrees 59' East for a distance of 195 feet, more or less, to a point on the East line of the NW1/4 of NE1/4 of said Section 31; thence North along said East line for a distance of 640 feet, more or less, to the Northeast corner of said NW1/4 of NE1/4, thence East along the South line of said Section 30 to the Southeast corner of said Government Lot 4; thence Northerly along the Easterly line of said Government Lot 4, the Easterly line of said Government Lot 3, and the Southeasterly line of said Government Lot 2 to the Southwest corner of said Government Lot 1; thence Easterly along the South line of said Government Lot 1 to the Southeast corner thereof; thence North along the East line of said Section 30 to the true point of beginning of this description. Containing 96.59 acres, more or less, 12.51 acres of which are in said Government Lot 2, 8.51 acres in said Government Lot 1, 5.53 acres in the NE1/4 of SW1/4, and 2.19 acres in the SE1/4 of SW1/4 of said Section 30, 31.91 acres in said Government Lot 3, 31.64 acres in said Government Lot 4, and 4.30 acres in said NW1/4 of NE1/4; and also, all accretion lands inuring to the parts of said Government Lots 2, 1, 3 and 4 above described by operation of law.

Section 31 - NE1/4 NW1/4, NW1/4 NE1/4 EXCEPTING therefrom parts of Government Lots 2 and 1, the E1/2 of SW1/4, and Government Lots 3 and 4 of Section 30 and the NW1/4 of NE1/4 of Section 31, more particularly described as follows:

Beginning at the Northeast corner of said Section 30; thence South 0 degrees 08' West along the East line of said Section for a distance of 1,812.82 feet to a point marked by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, set in a rock mount, said point being the true point of beginning of this description; thence South 86 degrees 17' West for a distance of 0.92 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 8, said iron pipe, as are all other iron pipes mentioned in this description, being referenced by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, driven adjacent thereto until its top is 10 inches above the ground; thence North 75 degrees 46' West for a distance of 460.81 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 7; thence South 72 degrees 24' West for a distance of 1,183.71 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 6; thence North 75 degrees 06' West for a distance of 516.19 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 5; thence South 36 degrees 06' West for a distance of 1,396.82 feet to a point marked by an iron pipe, 3/4 inch in diameter, and driven flush with the ground and designated WT 4; thence South 2 degrees 46' West for a distance of 1,031.45 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated as WT 3; thence South 41 degrees 00' East (at distance of 1,540.84 feet crossing the South line of said Section 30 at a point which is 767.05 feet distant South 88 degrees 34' East from the South quarter corner thereof) for a distance of 1,542.89 feet to a point marked by an iron pipe, 3/4 inch in diameter, driven flush with the ground and designated WT 2; thence South 39

-continued-

-Parcel 14 continued-

degrees 59' East for a distance of 660.00 feet to a point marked by a copper-nickle pipe, 5/8 inch in diameter and 40 inches in length, driven in the ground until its top is 10 inches above the ground; thence continuing South 39 degrees 59' East for a distance of 195 feet, more or less, to a point on the East line of the NW1/4 of NE1/4 of said Section 31; thence North along said East line for a distance of 640 feet, more or less, to the Northeast corner of said NW1/4 of NE1/4, thence East along the South line of said Section 30 to the Southeast corner of said Government Lot 4; thence Northerly along the Easterly line of said Government Lot 4, the Easterly line of said Government Lot 3, and the Southeasterly line of said Government Lot 2 to the Southwest corner of said Government Lot 1; thence Easterly along the South line of said Government Lot 1 to the Southeast corner thereof; thence North along the East line of said Section 30 to the true point of beginning of this description. Containing 96.59 acres, more or less, 12.51 acres of which are in said Government Lot 2, 8.51 acres in said Government Lot 1, 5.53 acres in the NE1/4 of SW1/4, and 2.19 acres in the SE1/4 of SW1/4 of said Section 30, 31.91 acres in said Government Lot 3, 31.64 acres in said Government Lot 4, and 4.30 acres in said NW1/4 of NE1/4; and also, all accretion lands inuring to the parts of said Government Lots 2, 1, 3 and 4 above described by operation of law.

Section 32 - SE1/4 NW1/4, SW1/4 NE1/4, SE1/4 SE1/4, W1/2 SE1/4, E1/2 SW1/4, SW1/4 SW1/4

Section 33 - NE1/4, NE1/4 NW1/4, N1/2 SE1/4

Section 34 - All

Section 35 - NE1/4 NE1/4 lying Southerly of the Northerly line of 66 foot strip, NW1/4 NE1/4 EXCEPT that portion described in Volume M70, page 2243, Microfilm Records of Klamath County, Oregon, SE1/4 NE1/4, W1/2 SW1/4, a portion of Government Lot 3, SE1/4 SW1/4, SW1/4 SE1/4, Government Lot 5, more particularly described in Volume 314, page 179, Deed Records of Klamath County, Oregon.

Section 36 - 66 foot wide strip in NE1/4 NE1/4, Government Lots 6 and 7 as described in Volume 85, page 104, Microfilm Records of Klamath County, Oregon

All being in Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 15:

Section 1 - NW1/4 SE1/4, NE1/4 SW1/4, S1/2 SW1/4

Section 2 - Fractional N1/2, N1/2 SW1/4, SE1/4 SW1/4, SE1/4

Section 4 - All

Section 6 - N1/2 NE1/4, SE1/4 NE1/4, SE1/4, S1/2 SW1/4

Section 7 - W1/2 SW1/4, SE1/4 SW1/4, SW1/4 SE1/4

Section 8 - NE1/4, Government Lots 3, 4 and 5, NE1/4 SW1/4

Section 10 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, SW1/4

Section 12 - SW1/4, SE1/4 NW1/4, SW1/4 NE1/4, W1/2 SE1/4

Section 13 - Being a portion of the N1/2 of the NW1/4 of Section 13, Township 40 South, Range 7 East of the Willamette Meridian, 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 of the Willamette Meridian, Klamath County, Oregon; thence South 89 degrees 10' 48" East along the Section line 2,636.126 feet to the 1/4 corner common to Sections 12 and 13 of said Township and Range; thence South 0 degrees 21' 04" East 1,321.589 feet to a 2" survey cap; thence North 89 degrees 15' 40" West 1,331.234 feet to a 2" survey cap marking the NW1/16 corner of Section 13; thence North 44 degrees 22' 04" West 1,877.448 feet to the point of beginning.

Section 16 - All

Section 18 - All

Section 20 - N1/2, N1/2 S1/2

Section 22 - NW1/4, N1/2 NE1/4, SW1/4 NE1/4, NW1/4 SE1/4, N1/2 SW1/4, Government Lots 3 and 4

-continued-

-Parcel 15 continued-

Section 26 - E1/2, E1/2 NW1/4, SW1/4 NW1/4 and NW1/4 NW1/4 EXCEPT that portion of the following described land lying in the NW1/4 NW1/4 of Section 26, all in Township 40 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, 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 degrees 07' 46" West 130.75 feet and South 29 degrees 15' 31" West 61.67 feet; thence North 43 degrees 51' 57" East 223.58 feet to an iron pin; thence North 84 degrees 44' 04" East 229.91 feet to an iron pin; thence South 08 degrees 53' 40" East 279.98 feet to an iron pin; thence South 41 degrees 58' 02" West 234.03 feet to an iron pin; thence North 45 degrees 07' 46" West 381.17 feet to the point of beginning.

Section 28 - All

Section 33 - E1/2 W1/2, SW1/4 SE1/4

Section 35 - E1/2 E1/2, SW1/4 SE1/4

Section 36 - W1/2, SE1/4

All being in Township 40 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 16:

Section 1 - E1/2, SW1/4

Section 2 - The SW1/4 of NE1/4 and the E1/2 of NW1/4, EXCEPT that portion described in by deed recorded January 5, 1925, in Deed Book 65 at page 142. And the E1/2 of SW1/4; W1/2 of W1/2.

Section 3 - E1/2 SE1/4

Section 4 - N1/2 N1/2, S1/2 NE1/4

Section 10 - NW1/4, NE1/4 SW1/4

Section 11 - E1/2, NW1/4 NW1/4, NW1/4 SW1/4

Section 12 - All

Section 13 - NW1/4 NE1/4, N1/2 NW1/4, Government Lots 2 and 3

Section 14 - NE1/4 NE1/4, Government Lots 1, 2, 3 and 4

All being in Township 41 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 17:

Section 16 - Out Lots 1, 2, 3, 4 and 6 of Corral Springs

Section 21 - W1/2 E1/2, E1/2 NW1/4, that portion of the SE1/4 SW1/4 lying East of the Southern Pacific Railroad right of way.

Section 28 - E1/2, E1/2 NW1/4, less strips for railroad and highway, NE1/4 SW1/4 lying East of highway, less strip for railroad, S1/2 SW1/4, less strips for highway and railroad

Section 29 - NE1/4

Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2

Section 32 - NE1/4, S1/2

Section 33 - All EXCEPT that portion lying within the Dalles-California Highway US 97.

ALSO EXCEPT that portion lying within the Southern Pacific Railroad right of way.

Section 34 - All

All being in Township 27 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the timber as conveyed by Timber Deed, recorded February 11, 1997 at Volume M97, page 4248, Microfilm Records of Klamath County, Oregon, wherein U.S. Timberlands Klamath Falls LLC is grantor and Crown Pacific Limited Partnership is grantee. Grantee's right to enter upon said property and remove the timber therefrom shall terminate at midnight February 10, 2000.

PARCEL 18:

Section 3 - SE1/4 NW1/4, NE1/4 SW1/4, Government Lots 1, 2, 3 and 4, S1/2 NE1/4, SE1/4, S1/2 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4

Section 4 - W1/2, Government Lots 1 and 2, S1/2 NE1/4, SE1/4, less strip for highway in Fractional W1/2 NW1/4 and less strip for railroad in Fractional NW1/4 and W1/2 SW1/4 and less 40' wide strip in the SW1/4 and less three parcels heretofore conveyed to State of Oregon, by and through its State Highway Commission, described as follows:

PARCEL ONE: Beginning at a point 1420 feet South and 4180 feet East of the NW corner of said Section 4; thence East a distance of 330 feet; thence South a distance of 660 feet; thence West a distance of 330 feet; thence North a distance of 660 feet to the point of beginning.

PARCEL TWO: Beginning at a point 1420 feet South and 4180 feet East of the Northwest corner of said Section 4; thence South a distance of 660 feet; thence West a distance of 330 feet; thence North a distance of 660 feet; thence East a distance of 330 feet to the point of beginning.

PARCEL THREE: All that portion of the E1/2 of said Section 4 included in a strip of land 40 feet in width, 20 feet on each side of the center line of a hauling road as said hauling road has been located over and across or adjacent to the said property; the location of the said strip of land (insofar as it encroaches upon the property) being determined by the said center line from Station 45 + 27.6 to Station 63 + 01.4, which portion of center line is described as follows: Beginning at a point which is Engineer's center line Station 45 + 27.6 opposite and 20 feet distant from which point the Southerly line of the said strip of land intersects the West line of the East half of Section 4; said point being 2431 feet North and 2627 feet East from the Southwest corner of Section 4; thence North 47 degrees 13' East a distance of 172.4 feet; thence North 46 degrees 32' East a distance of 1601.4 feet to Station 63 + 01.4 opposite and 20 feet distant from which station the Northerly line of said strip of land intersects the West line of the above described Parcel Two.

Section 5 - S1/2 S1/2 and N1/2 SW1/4 EXCEPTING from the SE1/4 SE1/4 strips for Highway and Railroad and 40 foot wide strip as described in Book 224, page 137, and less tract described in Book 129, page 300, all Deed Records of Klamath County, Oregon.

Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, S1/2 NE1/4, SE1/4, E1/2 SW1/4, SE1/4 NW1/4

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

Section 8 - All EXCEPT that portion described in Warranty Deed recorded April 18, 1979, in Volume M79, page 8328, Microfilm Records of Klamath County, Oregon. ALSO EXCEPT portion for Highway and Railroad and tract described in Book 224, page 137, Deed Records of Klamath County, Oregon.

Section 9 - All

Section 10 - NE1/4, N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, SE1/4, SW1/4 NW1/4, NW1/4 SW1/4, S1/2 SW1/4

Section 15 - N1/2 NE1/4, SW1/4 NE1/4, W1/2, N1/2 SE1/4 and SW1/4 SE1/4

Section 16 - E1/2

Section 17 - N1/2, N1/2 SW1/4, SE1/4 SW1/4 and E1/2 SE1/4 EXCEPTING THEREFROM the following described parcels: (a) that portion described in Deed recorded December 2, 1912 in Deed Book 38, page 223, Deed Records of Klamath County, Oregon; (b) those portions described in Deed recorded in Book 129, page 301, and by Deed recorded May 25, 1959 in Book 312, page 811, Deed Records of Klamath County, Oregon; (c) that portion described in Warranty Deed recorded April 18, 1979 in Volume M79, page 8328, Microfilm Records of Klamath County, Oregon; (d) that portion described in Warranty Deed recorded April 2, 1976 in Volume M76, page 4645, Microfilm Records of Klamath County, Oregon; TOGETHER WITH that portion of the NW1/4 of the SE1/4 described in Deed from Crown Zellerbach Corporation to Boise-Cascade Corporation, recorded September 22, 1969 in Volume M69, page 8168, Microfilm Records of Klamath County, Oregon.

Section 18 - NE1/4, NE1/4 of Government Lot 1, NE1/4 SE1/4 NW1/4, E1/2 SE1/4, E1/2 NW1/4 SE1/4, SW1/4 SE1/4, SE1/4 SW1/4 and Government Lots 3 and 4 (W1/2 SW1/4)

-continued-

-Parcel 18 continued-

- Section 19 - W1/2 NE1/4, W1/2, SE1/4 EXCEPTING THEREFROM that portion described in Deed recorded August 14, 1964 in Deed Book 355, page 323, Microfilm Records of Klamath County, Oregon, less strips for highway in E1/2 SE1/4
- Section 20 - NE1/4, E1/2 NW1/4 and S1/2 EXCEPTING THEREFROM that portion described in Deed recorded March 28, 1973 in Volume M73, page 3587, Microfilm Records of Klamath County, Oregon, less strips for highway and railroad.
- Section 21 - N1/2, N1/2 SW1/4, SE1/4 SW1/4 and SE1/4
- Section 22 - All
- Section 23 - NE1/4, E1/2 NW1/4 and S1/2
- Section 26 - All
- Section 27 - All
- Section 28 - All
- Section 29 - All, less a strip for railroad
- Section 30 - All EXCEPTING THEREFROM that portion described in Deed recorded August 14, 1964 in Book 355, page 323, Deed Records of Klamath County, Oregon and less a strip for highway
- Section 31 - All, less strip for highway
- Section 32 - All, less a strip for railroad in W1/2 W1/2
- Section 33 - All
- Section 34 - All
- Section 35 - All
- Section 36 - All

All being in Township 28 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 19:

- Section 1 - Government Lots 1, 2, 3 and 4
- Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2, less a strip for railroad
- Section 6 - All EXCEPT Government Lots 4 and 7 and that portion described in Deed recorded March 27, 1968 in Volume M68, page 2381, Microfilm Records of Klamath County, Oregon; and EXCEPT from the above any portions described in Deed recorded August 21, 1948 in Deed Book 224, page 133 and that portion described in Deed recorded July 11, 1910 in Deed Book 29, page 449, all Deed Records of Klamath County, Oregon.

All being in Township 29 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM the timber as conveyed by Timber Deed, recorded February 11, 1997 at Volume M97, page 4248, Microfilm Records of Klamath County, Oregon, wherein U.S. Timberlands Klamath Falls LLC is grantor and Crown Pacific Limited Partnership is grantee. Grantee's right to enter upon said property and remove the timber therefrom shall terminate at midnight February 10, 2000.

PARCEL 20:

- Section 6 - Government Lots 3 and 4, SW1/4 SW1/4
- Section 7 - Government Lots 1 and 2, W1/2, SW1/4 NE1/4, SE1/4
- Section 8 - Government Lots 1, 2 and 3, SW1/4 SW1/4, 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 the Mean High Water Line of Upper Klamath Lake, NW1/4 SW1/4, S1/2 NW1/4, N1/2 N1/2
- Section 19 - Government Lot 1

All being in Township 37 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

(continued)

Parcel 20 (continued):

EXCEPTING THEREFROM the timber as conveyed by Timber Deed, recorded February 11, 1997 at Volume M97, page 4248, Microfilm Records of Klamath County, Oregon, wherein U.S. Timberlands Klamath Falls LLC is grantor and Crown Pacific Limited Partnership is grantee. Grantee's right to enter upon said property and remove the timber therefrom shall terminate at midnight February 10, 2000.

PARCEL 21:

- Section 6 - That portion of Government Lot 2 lying West of the East Bank of the Caledonia Canal, except highway and less tracts described in Volume M96, page 25713, Microfilm Records of Klamath County, Oregon, NW1/4 SW1/4 West of East bank of Canal except highway, SW1/4 SW1/4
 Section 7 - NW1/4 NW1/4; SW1/4 NW1/4 and Government Lots 6 and 7 less tract described in April 27, 1942 Deed, recorded December 31, 1942 in Book 152, page 138, Deed Records of Klamath County, Oregon.
 Section 18 - Government Lots 1, 2, and 3, SW1/4 SE1/4, E1/2 SW1/4, W1/2 W1/2
 Section 19 - Government Lots 1, 2, 3, 4 and 5, NE1/4, NE1/4 SE1/4
 Section 20 - Government Lots 1, 2, 3, 4 and 5, SW1/4 SW1/4
 Section 28 - Government Lot 1, SW1/4 SE1/4, SW1/4
 Section 29 - Government Lots 1, 2, 3 and 4, S1/2 NE1/4, NW1/4 NE1/4, E1/2 NW1/4, NW1/4 NW1/4, N1/2 SE1/4, SE1/4 SE1/4
 Section 30 - Government Lots 1, 2, 3, 4 and 5, NW1/4 SW1/4, S1/2 SW1/4
 Section 31 - Government Lot 1, S1/2 NE1/4, NW1/4 NE1/4, NW1/4, NE1/4 SW1/4, SE1/4, that portion of Government Lots 2 and 3 more particularly described in Volume 264, page 617, Deed Records of Klamath County, Oregon
 Section 32 - Government Lots 1, 3, 4, 5 and 6, SW1/4 SE1/4, SW1/4
 Section 33 - E1/2, E1/2 NW1/4, NW1/4 NW1/4
 Section 34 - W1/2 SW1/4

All being in Township 38 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 22:

- Section 3 - W1/2 NW1/4
 Section 4 - NE1/4 NE1/4, Government Lot 2, SW1/4, S1/2 SE1/4
 Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 6 - NE1/4 NE1/4, East 850 feet, Government Lot 1
 Section 7 - Part of Government Lot 3 and the SE1/4 of SW1/4, Township 39 South, Range East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:
 Beginning at the Southwest section corner of said Section 7; thence North along the West line of said section a distance of 1091.7 feet to a 1 1/4" iron pipe 30 inches long; thence South 46 degrees 30' East a distance of 425.0 feet to a 1 1/4" iron pipe 30 inches long; thence South 73 degrees 30' East a distance of 831.0 feet to a 1 1/4" iron pipe 30 inches long; thence North 88 degrees East a distance of 691.7 feet to a 1 1/4" iron pipe 30 inches long; thence South 83 degrees 30' East a distance of 367.2 feet to a 1 1/4" iron pipe 30 inches long; thence South 8 degrees 30' East a distance of 90.8 feet to a 1 1/4" iron pipe 30 inches long; thence South 30 degrees 30' East a distance of 67.7 feet to a 3/4" iron pipe 36 inches long; thence South 54 degrees 30' East a distance of 140.0 feet to a 1 1/4" iron pipe 30 inches long; thence North 81 degrees East a distance of 80.8 feet to a 3/4" iron pipe 40 inches long; thence South 72 degrees 30' East a distance of 101.40 feet to a 1 1/4" iron pipe 30 inches long; thence North 77 degrees 30' East a distance of 147.8 feet, more or less, to a 1 1/4" iron pipe 30 inches long, located on the East line of the SE1/4 of SW1/4 of said section; thence South along the East line of the SE1/4 of SW1/4 of said section a distance of 365.0 feet, more or less, to the quarter corner on the South line of said Section 7; thence West along the South line of said section a distance of 2640.0 feet, more or less, to the point of beginning.
 Section 8 - N1/2, N1/2 S1/2, EXCEPTING therefrom that tract described in Volume M94, page 9186, Microfilm Records of Klamath County, Oregon, SE1/4 SW1/4
 Section 9 - W1/2, N1/2 NE1/4, SW1/4 NE1/4

-continued-

-Parcel 22 continued-

Section 16 - S1/2 NW1/4, NE1/4 SW1/4

Section 17 - NW1/4 NE1/4, S1/2 NE1/4, SE1/4, E1/2 SW1/4, NW1/4 SW1/4, S1/2 NW1/4

Section 18 - All

Section 19 - N1/2, SE1/4, E1/2 SW1/4 and that portion of the NW1/4 SW1/4 being 60 feet wide more particularly described in Volume 91, page 621, Deed Records of Klamath County, Oregon

Section 20 - N1/2, NW1/4 SE1/4, W1/2 SW1/4

Section 21 - N1/2 NW1/4

Section 27 - A 66 foot wide strip in the SW1/4 NE1/4, NE1/4 SW1/4, Government Lots 1, 2, 7 and 8, NW1/4 SE1/4

Section 28 - A 66 foot wide strip in Government Lots 2 and 3 as described in Volume 78, page 597, Microfilm Records of Klamath County, Oregon

Section 29 - NW1/4 NW1/4

Section 30 - NE1/4 NE1/4

Section 31 - A 66 foot wide strip in SW1/4 NW1/4, NE1/4 SW1/4, Government Lot 2; a 80 foot wide strip in NE1/4 SW1/4; a 66 foot wide strip in Government Lots 5, 7, 8 and 9, less public roads and highways

Section 32 - An 80 foot wide strip in Government Lots 7, 8, 9 and 12 as described in Volume 85, page 104, Deed Records of Klamath County, Oregon, and a 66 foot wide strip in Government Lot 11

Section 33 - An 80 foot wide strip in Government Lot 5, SW1/4 NE1/4, Government Lots 6 and 4, and NE1/4 SW1/4

All being in Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 23:

Section 5 - A 66 foot wide strip located in Government Lot 9 and an 80 foot wide strip located in Government Lots 8 and 9 and the NW1/4 NE1/4 known as the Weyerhaeuser Timber Company Private Logging Road.

All being in Township 40 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 24:

Section 6 - NW1/4, NW1/4 NE1/4, N1/2 SW1/4, SW1/4 SW1/4

Section 7 - NW1/4, N1/2 NE1/4, N1/2 SW1/4, SW1/4 SW1/4

All being in Township 41 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 25:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2

Section 2 - Government Lots 1, 2, 3 and 4, S1/2 NW1/4, S1/2 NE1/4, SE1/4, N1/2 SW1/4, SE1/4 SW1/4

Section 3 - Government Lot 1, N1/2 Government Lot 2, N1/2 S1/2 Government Lot 2, N1/2 Government Lot 3

Section 4 - Government Lot 4, SW1/4 NW1/4, N1/2 SW1/4, SE1/4 SW1/4

Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2

Section 6 - Government Lots 1, 2 and 3, S1/2 NE1/4, N1/2 SE1/4, SE1/4 SE1/4

Section 8 - NW1/4, E1/2

Section 9 - N1/2 SE1/4, S1/2 SW1/4, NW1/4 SW1/4, S1/2 NW1/4, NE1/4 NW1/4

Section 10 - S1/2 SE1/4

-continued-

-Parcel 22 continued-

Section 11 - E1/2 NW1/4, NE1/4, E1/2 SE1/4

Section 12 - All

Section 13 - NE1/4, W1/2 SE1/4, SE1/4 SE1/4, E1/2 W1/2

Section 14 - N1/2 SE1/4, SW1/4 SE1/4, SE1/4 SW1/4, NW1/4 SW1/4, that portion of the SW1/4 SW1/4 described as follows:

Beginning at the Northeast corner of said SW1/4 of SW1/4; thence West to the Northwest corner thereof; thence Southeast in a straight line to the Southeast corner thereof; thence North to the point of beginning.

Section 15 - N1/2 NE1/4, SE1/4 NE1/4, that portion of the SW1/4 NE1/4 described as follows: Beginning at the Northeast corner of said SW1/4 of NE1/4; thence West to the Northwest corner thereof; thence Southeast in a straight line to the Southeast corner thereof; thence North to the point of beginning; that portion of the NE1/4 SE1/4 described as follows: Beginning at the Northeast corner of said NE1/4 of SE1/4; thence West to the Northwest corner thereof; thence Southeast in a straight line to the Southeast corner thereof; thence North to the point of beginning.

Section 16 - W1/2, and that part of the W1/2 SE1/4 described as follows:

Beginning at the Southeast corner of the SW1/4 of SE1/4 of said Section 16; thence West to the Southwest corner thereof; thence North to the Northwest corner of the NW1/4 of SE1/4 of said Section 16; thence Southeast in a straight line to the point of beginning.

Section 17 - E1/2 E1/2

Section 21 - SE1/4, NE1/4 SW1/4, SE1/4 NW1/4, N1/2 NW1/4, W1/2 NE1/4, that portion of the E1/2 NE1/4 more particularly described as follows: Beginning at the Southeast corner of the SE1/4 of NE1/4 of said Section 21; thence West to the Southwest corner thereof; thence North to the Northwest corner of the NE1/4 of NE1/4 of said Section 21; thence Southeast in a straight line to the point of beginning.

Section 22 - That portion of the SW1/4 SW1/4 described as follows:

Beginning at the Southeast corner of said SW1/4 of SW1/4; thence West to the Southwest corner thereof; thence North to the Northwest corner thereof; thence Southeast in a straight line to the point of beginning.

Section 23 - NE1/4, that portion of the NE1/4 NW1/4 described as follows:

Beginning at the Northwest corner of said NE1/4 of NW1/4; thence East to the Northeast corner thereof; thence South to the Southeast corner thereof; thence Northwest in a straight line to the point of beginning.

Section 24 - NE1/4 NE1/4, S1/2 NW1/4, NW1/4 NW1/4

Section 26 - S1/2 N1/2, N1/2 S1/2, S1/2 SW1/4, SW1/4 SE1/4

Section 27 - NW1/4 NW1/4, S1/2 N1/2, S1/2

Section 28 - N1/2 NE1/4, SE1/4 NE1/4, NE1/4 SE1/4

Section 34 - All

Section 35 - W1/2, W1/2 E1/2, E1/2 SE1/4

Section 36 - SW1/4

All being in Township 37 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 26:

Section 2 - Government Lots 3 and 4

Section 3 - Government Lots 1 and 2

All being in Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 27:

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

Section 12 - E1/2

Section 13 - E1/2, SE1/4 SW1/4

Section 24 - NE1/4

All being in Township 28 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 28:

Section 1 - Government Lots 1 and 2, S1/2 NE1/4

All being in Township 29 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 29:

Section 20 - N1/2 SW1/4

All being in Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING THEREFROM a 100 foot wide strip of land over, upon and across said N1/2 of SW1/4, being 50 feet on each side of the centerline of the Oregon, California and Eastern Railway Company's railroad right of way as the same now exists; said 100 foot wide strip of land having been previously conveyed to the Oregon Parks and Recreation Commission by deed dated July 9, 1992.

PARCEL 30:

Section 6 - Government Lots 2, 3, 4, 5, 6, 7 and 9, E1/2 SW1/4, SE1/4 NW1/4, S1/2 NE1/4, SE1/4

Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, N1/2 NE1/4

Section 18 - Government Lots 1, 2, 3 and 4, SE1/4 NW1/4

All being in Township 37 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 31:

Section 1 - W1/2 SW1/4, SE1/4 SW1/4

Section 2 - Government Lot 3, S1/2 N1/2, S1/2

Section 3 - Government Lots 2 and 4, S1/2 N1/2, S1/2

Section 4 - Government Lot 1, SE1/4 NE1/4, SE1/4, S1/2 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4

Section 5 - NE1/4 SE1/4

Section 9 - E1/2, N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4

Section 10 - All

Section 11 - N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4

Section 12 - NW1/4, NW1/4 NE1/4

Section 13 - SW1/4 SE1/4, SW1/4, SW1/4 NW1/4

Section 14 - S1/2, NW1/4

Section 15 - All

Section 16 - All

Section 21 - NE1/4 NE1/4

Section 22 - N1/2, SE1/4, NE1/4 SW1/4

Section 23 - All

Section 24 - W1/2, SE1/4

Section 25 - NW1/4, N1/2 SW1/4, SW1/4 SW1/4

Section 26 - N1/2, N1/2 SE1/4, SW1/4 SE1/4, SW1/4

Section 27 - NE1/4 NE1/4, S1/2 N1/2, N1/2 S1/2, S1/2 SE1/4, SE1/4 SW1/4

Section 28 - NE1/4 NE1/4

Section 34 - N1/2 NE1/4

Section 35 - N1/2, N1/2 SW1/4, SE1/4 SW1/4, SE1/4

Section 36 - All

All being in Township 27 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 32:

- Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 5 - S1/2 NE1/4
- Section 6 - Government Lots 4, 5, 6 and 7, SE1/4 NW1/4, SE1/4 SE1/4, W1/2 SE1/4, E1/2 SW1/4
- Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 8 - W1/2 W1/2, E1/2 SW1/4
- Section 10 - E1/2 E1/2, NW1/4 NE1/4
- Section 11 - All
- Section 12 - All
- Section 13 - All
- Section 14 - All
- Section 17 - W1/2, SE1/4
- Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 20 - W1/2 W1/2, N1/2 NE1/4
- Section 23 - N1/2 NE1/4
- Section 24 - NW1/4 NW1/4, E1/2 NW1/4, NE1/4
- Section 28 - SE1/4 SW1/4
- Section 29 - SW1/4 SE1/4, S1/2 NW1/4, NW1/4 NW1/4
- Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 32 - All
- Section 33 - All
- Section 34 - NE1/4, SE1/4 NW1/4, N1/2 SW1/4, SE1/4 SW1/4, SE1/4
- Section 35 - SE1/4 SE1/4
- Section 36 - All

All being in Township 28 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 33:

- Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 2 - Government Lots 1 and 2, S1/2 NE1/4, SE1/4 NW1/4, S1/2
- Section 3 - Government Lots 1 and 2, SE1/4 NE1/4, E1/2 SE1/4, SW1/4 SE1/4, SW1/4
- Section 4 - Government Lots 2, 3 and 4, SW1/4 NE1/4, S1/2 SE1/4, SW1/4, S1/2 NW1/4
- Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, S1/2 NE1/4, SE1/4, E1/2 SW1/4, SE1/4 NW1/4

All being in Township 29 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 34:

- Section 3 - S1/2
- Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
- Section 6 - Government Lots 1 and 2, S1/2 NE1/4, SE1/4
- Section 7 - E1/2 NE1/4
- Section 8 - N1/2, SE1/4, NE1/4 SW1/4
- Section 9 - All
- Section 10 - All
- Section 11 - All
- Section 12 - All
- Section 13 - All
- Section 14 - All

(continued)

Parcel 34 (continued)

Section 15 - All
 Section 16 - All
 Section 17 - E1/2
 Section 20 - NE1/4, E1/2 SE1/4
 Section 21 - All
 Section 22 - All
 Section 23 - All
 Section 24 - All
 Section 25 - All
 Section 26 - All
 Section 27 - All
 Section 28 - All
 Section 29 - E1/2 E1/2
 Section 32 - E1/2 E1/2
 Section 33 - All
 Section 34 - All
 Section 35 - All
 Section 36 - All

All being in Township 31 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 35:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 5 - Government Lot 1, SE1/4 NE1/4, E1/2 SE1/4
 Section 8 - E1/2 E1/2
 Section 9 - All
 Section 10 - All
 Section 11 - All
 Section 12 - All
 Section 13 - All
 Section 14 - All
 Section 15 - All
 Section 16 - All
 Section 17 - E1/2 E1/2
 Section 20 - E1/2 E1/2
 Section 21 - All
 Section 22 - All
 Section 23 - All
 Section 24 - All
 Section 25 - All
 Section 26 - All
 Section 27 - All
 Section 28 - All
 Section 33 - All
 Section 34 - All
 Section 35 - All
 Section 36 - All

All being in Township 32 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 36:

Section 25 - E1/2 NE1/4, E1/2 NW1/4, E1/2 W1/2 NW1/4

All being in Township 37 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 37:

Section 1 - SE1/4 SE1/4

Section 12 - E1/2 E1/2

Section 13 - E1/2 E1/2

All being in Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 38:

Section 25 - All

Section 26 - N1/2, E1/2 SE1/4

Section 27 - NE1/4, S1/2 SW1/4, NW1/4 SW1/4, SW1/4 NW1/4

Section 28 - SE1/4 NE1/4, E1/2 SE1/4, SE1/4 NW1/4, N1/2 NW1/4

Section 30 - Government Lots 1, 2, 3 and 4

Section 31 - Government Lots 1, 2, 3, 6 and 7, N1/2 SE1/4, E1/2 NW1/4

Section 32 - Government Lot 1, NE1/4, NW1/4 SE1/4

Section 33 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, SE1/4 NE1/4, SE1/4 NW1/4, N1/2 NW1/4

Section 34 - Government Lots 1 and 2, NW1/4 SE1/4, SW1/4 NE1/4, N1/2 SW1/4, NW1/4

Section 35 - Government Lot 1 and 4, NE1/4 SE1/4, S1/2 NE1/4, NE1/4 NE1/4

Section 36 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2

All being in Township 37 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 39:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, NE1/4 SE1/4, N1/2 SW1/4, SW1/4 SW1/4

Section 2 - Government Lots 1 and 2, S1/2 NE1/4, S1/2

Section 3 - S1/2

Section 4 - SE1/4, S1/2 SW1/4

Section 5 - Government Lots 1 and 4, S1/2 NE1/4, N1/2 SE1/4, SE1/4 SE1/4, NE1/4 SW1/4, SW1/4 NW1/4

Section 6 - Government Lots 1, 5, 6 and 7, S1/2 NE1/4, E1/2 SW1/4, SE1/4 NW1/4

Section 7 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, SE1/4, S1/2 NE1/4, NW1/4 NE1/4

Section 8 - N1/2 NW1/4

Section 9 - NE1/4

Section 10 - NE1/4 NE1/4, S1/2 NE1/4, N1/2 SE1/4, E1/2 SW1/4, SE1/4 NW1/4

Section 11 - E1/2 W1/2, NW1/4 NW1/4, NW1/4 SW1/4

Section 14 - NE1/4

Section 15 - N1/2 NE1/4, SE1/4 NE1/4, NE1/4 NW1/4

Section 16 - S1/2 SW1/4

Section 17 - SE1/4 SE1/4

Section 20 - N1/2 NE1/4

Section 21 - NW1/4 NW1/4

All being in Township 38 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 40:

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 - All
 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 15 - NE1/4, NE1/4 NW1/4, S1/2 NW1/4, S1/2
 Section 16 - All
 Section 17 - All
 Section 20 - N1/2 NE1/4, SE1/4 NE1/4, NW1/4, S1/2
 Section 21 - NE1/4 SW1/4, S1/2 SW1/4, SE1/4 SE1/4
 Section 22 - W1/2, N1/2 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
 Section 28 - S1/2, E1/2 NE1/4, NE1/4 NW1/4
 Section 29 - All
 Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 32 - N1/2 NW1/4, NE1/4, NE1/4 SE1/4, SW1/4 SE1/4, S1/2 SW1/4, NW1/4 SW1/4
 Section 33 - SE1/4, N1/2 SW1/4, NW1/4

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

PARCEL 41:

Section 6 - Government Lots 4, 5, 6 and 7
 Section 33 - SW1/4 SW1/4

All being in Township 38 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 42:

Section 24 - SW1/4 SE1/4
 Section 25 - All
 Section 26 - NE1/4 SW1/4, S1/2 SW1/4, SE1/4
 Section 27 - SE1/4 SE1/4
 Section 34 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2
 Section 35 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2
 Section 36 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2

All being in Township 33 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 43:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1 and 2, S1/2 NE1/4, SE1/4
 Section 9 - E1/2
 Section 10 - All
 Section 11 - All

(continued)

Parcel 43 (continued)

Section 12 - All
 Section 13 - All
 Section 14 - All
 Section 15 - All
 Section 16 - NE1/4, N1/2 NW1/4, SE1/4 NW1/4, NE1/4 SW1/4, SE1/4
 Section 20 - SE1/4 SE1/4
 Section 22 - All
 Section 23 - All
 Section 24 - All
 Section 25 - All
 Section 26 - All
 Section 27 - All
 Section 28 - All
 Section 29 - E1/2, S1/2 SW1/4, NW1/4 SW1/4
 Section 30 - Government Lots 1, 2, 3, E1/2 SW1/4, less a 60 foot strip, Government Lot 4, SE1/4 NW1/4, SE1/4 SE1/4
 Section 31 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2, less a 60 foot strip in NW1/4 NE1/4, NE1/4 NW1/4, Government Lot 2, SE1/4 NW1/4, Government Lots 3 and 4
 Section 32 - All
 Section 33 - All
 Section 34 - All
 Section 35 - All
 Section 36 - All

All being in Township 34 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 44:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, N1/2 SE1/4, SW1/4 SE1/4, SW1/4
 Section 5 - N1/2, SW1/4, N1/2 SE1/4
 Section 6 - Government Lots 1, 2 and 3, N1/2 N1/2, SE1/4 NW1/4, S1/2 NE1/4, SE1/4, E1/2 SW1/4
 Section 7 - Government Lots 2 and 3, E1/2 NW1/4
 Section 8 - S1/2 NE1/4, SE1/4 SW1/4, SE1/4
 Section 9 - All
 Section 10 - All
 Section 11 - All
 Section 12 - All
 Section 13 - All
 Section 14 - NE1/4, NW1/4 NW1/4, S1/2 NW1/4, S1/2
 Section 15 - N1/2, E1/2 SW1/4, SE1/4
 Section 16 - N1/2, SW1/4, NW1/4 SE1/4
 Section 17 - NE1/4, SE1/4, E1/2 W1/2
 Section 19 - Government Lots 2 and 3, E1/2 SW1/4
 Section 20 - E1/2 E1/2
 Section 23 - N1/2, E1/2 SW1/4, SE1/4
 Section 24 - All
 Section 26 - NW1/4 NE1/4

All being in Township 35 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 45:

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 46:

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 the Fractional S1/2 of S1/2 of Section 31, Township 36 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon, and the Fractional W1/2 of NW1/4 of Section 6, Township 37, Range 15 East of the Willamette Meridian, Klamath County, Oregon, extending from the West line of said Section 6 to the North line of the SE1/4 of SE1/4 of said Section 31 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

(continued)

Parcel 46 (continued)

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.

PARCEL 47:

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 48:

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 49:

A strip of land 100 feet wide being 50 feet on either side of the center line of the Ewauna Box Company's main line logging railroad described as follows:

Beginning at Engineer's Station 290+80, which point is 770 feet (more or less) South and 550 feet (more or less) East of the Northwest corner of Section 16, Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon, and which point is also on the arc of a 4 degree curve to the right and from which point the tangent to the curve bears South 75 degrees 55' East and running thence; following the arc of a 4 degree curve to the right a distance of 21.5 feet to a point; thence South 75 degrees 03' East a distance of 182.1 feet; thence following the arc of a 4 degree curve to the left a distance of 363.3 feet; thence South 89 degrees 35' East a distance of 813.7 feet to a point; thence following the arc of a 6 degree curve to the right a distance of 729.2 feet; thence South 45 degrees 50' East a distance of 60.2 feet to Engineer's Station 312+50 which point is on the North and South quarter line and 1,240 feet (more or less) South of the quarter section corner common to Sections 9 and 16, Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon; thence 45 degrees 50' East a distance of 123 feet; thence following the arc of an 8 degree curve to the left a distance of 219.6 feet; thence South 63 degrees 24' East a distance of 347.4 feet; thence following the arc of an 8 degree curve to the left a distance of 460.6 feet; thence North 79 degrees 45' East a distance of 816.7 feet; thence following the arc of an 8 degree curve to the right a distance of 374.8 feet; thence South 70 degrees 18' East a distance of 477.9 feet to Engineer's Station 340+70 which point is on the East line of said Section 16 and 910 feet (more or less) North of the quarter section corner common to Sections 16 and 15, Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon, being 4,990 feet (more or less) in length.

PARCEL 50:

A strip of land 100 feet wide being 50 feet wide on either side of the center line of the Ewauna Box Company's main line logging railroad described as follows:

Beginning at Engineer's Station 266+00 which point is 975 feet, more or less, East of the quarter section corner common to Sections 8 and 17, Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon and running thence in a Southeasterly direction as surveyed and staked over and across the Northeast quarter of said Section 17 to Engineer's Station 284+95 which point is 725 feet, more or less, South of the Northeast corner of said Section 17 being 1,895 feet, more or less, long.

PARCEL 51:

Section 1 - N1/2 SW1/4, SE1/4 SW1/4, SW1/4 SE1/4
 Section 2 - SE1/4 NE1/4, NE1/4 SE1/4

(continued)

Parcel 51 (continued)

Section 3 - S1/2 SW1/4
 Section 9 - SE1/4 SE1/4
 Section 10 - N1/2, S1/2 S1/2
 Section 11 - SE1/4 NE1/4, W1/2 NW1/4, N1/2 SW1/4, SW1/4 SW1/4, SE1/4 SE1/4
 Section 12 - NW1/4 NE1/4, NE1/4 NW1/4, SW1/4 NW1/4, SW1/4, S1/2 SE1/4
 Section 13 - NE1/4, N1/2 NW1/4, SW1/4 NW1/4, S1/2
 Section 14 - NE1/4
 Section 15 - NW1/4
 Section 16 - N1/2 NE1/4 EXCEPTING that portion of the Indian Reservation; SW1/4 NE1/4, SE1/4 NE1/4 EXCEPTING that portion of the Indian Reservation; NW1/4, S1/2
 Section 23 - SE1/4
 Section 24 - All
 Section 25 - All
 Section 26 - SE1/4 SW1/4, NE1/4 SE1/4, S1/2 SE1/4
 Section 34 - All
 Section 35 - All
 Section 36 - N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4

All being in Township 38 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 52:

Section 1 - Government Lots 1, 2, 3 and 4, SE1/4 NE1/4, NE1/4 SE1/4, S1/2 SW1/4, NW1/4 SW1/4
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, SW1/4 NE1/4, NE1/4 SE1/4
 Section 4 - Government Lot 1
 Section 11 - NE1/4, NE1/4 NW1/4
 Section 12 - NE1/4 NW1/4, SW1/4 NW1/4, W1/2 SW1/4

All being in Township 39 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 53:

Section 1 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 2 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 9 - All
 Section 10 - All
 Section 11 - All
 Section 12 - All
 Section 13 - N1/2 N1/2
 Section 19 - Government Lots 3 and 4, SE1/4
 Section 27 - SW1/4 NE1/4, W1/2, NW1/4 SE1/4
 Section 28 - All
 Section 29 - All
 Section 30 - Government Lots 1, 2, 3 and 4, E1/2
 Section 31 - Government Lots 1, 2, 3 and 4, E1/2
 Section 32 - All
 Section 33 - All
 Section 34 - W1/2

All being in Township 33 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 54:

Section 5 - Government Lots 3 and 4, S1/2 NW1/4, SW1/4, SW1/4 SE1/4
 Section 6 - Government Lots 1, 2, 3, 4, 5 and 6, S1/2 NE1/4, SE1/4
 Section 7 - Government Lots 1, 2, 3 and 4, E1/2
 Section 8 - W1/2, W1/2 SE1/4
 Section 17 - N1/2 NW1/4
 Section 18 - Government Lots 1, 2, 3 and 4, E1/2
 Section 19 - All Fractional
 Section 29 - S1/2 S1/2
 Section 30 - All Fractional
 Section 31 - All Fractional
 Section 32 - All
 Section 33 - W1/2, S1/2 SE1/4

All being in Township 34 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 55:

Section 3 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 4 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 5 - Government Lots 1, 2, 3 and 4, S1/2 N1/2, S1/2
 Section 6 - Government Lots 1, 2, 3, 4, 5, 6 and 7, SE1/4 NW1/4, S1/2 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 - All
 Section 9 - All
 Section 10 - N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4
 Section 11 - NW1/4, NW1/4 SW1/4, S1/2 S1/2
 Section 13 - SW1/4 NW1/4
 Section 14 - All
 Section 15 - All
 Section 16 - All
 Section 17 - All
 Section 18 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
 Section 20 - All
 Section 21 - N1/2, NW1/4 SW1/4, S1/2 SW1/4, SE1/4
 Section 22 - All
 Section 23 - NW1/4 NE1/4, W1/2
 Section 26 - NW1/4 NE1/4, W1/2, W1/2 SE1/4
 Section 27 - All
 Section 28 - All
 Section 29 - N1/2 NE1/4, SE1/4 NE1/4, N1/2 NW1/4, N1/2 S1/2 NW1/4, S1/2 NE1/4 SW1/4, S1/2 SW1/4, SE1/4
 Section 32 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2
 Section 33 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2
 Section 34 - Government Lots 1, 2, 3 and 4, N1/2 S1/2, N1/2
 Section 35 - Government Lots 3 and 4, NW1/4 SW1/4, NW1/4

All being in Township 35 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 56:

Section 7 - N1/2 NE1/4, SE1/4 NE1/4, SE1/4 SE1/4
 Section 8 - All
 Section 16 - N1/2, E1/2 SW1/4, SE1/4
 (continued)

Parcel 56 (continued)

Section 17 - NE1/4, N1/2 SE1/4

Section 21 - NE1/4, A strip of land 66 feet in width in the SE1/4 of SE1/4 of Section 21 extending from the South line to the East line of said Section 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 204+98.64 E.C., a point 276.14 feet distant South 45 degrees 40' West from a point on the South line of said Section 21 which is 864.29 feet distant West of the Southeast corner thereof; thence North 45 degrees 40' East (crossing said South line at Engineer's Station 207+74.78 P.O.T.) for a distance of 1,264.36 feet to Engineer's Station 217+63.00 B.C.; thence along a 10 degree curve to the right through a central angle of 29 degrees 06' (crossing the East line of said Section at Engineer's Station 219+55.17 P.O.C. 799.75 feet distant North of said Southeast corner) for an arc distance of 291.00 feet to Engineer's Station 220+54.00 E.C.

Section 22 - All

Section 23 - All

Section 24 - All

Section 25 - N1/2, N1/2 SW1/4, N1/2 SE1/4

Section 26 - NE1/4, N1/2 NW1/4, SE1/4 NW1/4

Section 31 - A strip of land 66 feet in width in the NE1/4 of SE1/4 of Section 31 extending from the South line to the East line of said NE1/4 of SE1/4 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 56+00.00 P.O.T., a point 145.00 feet distant South 73 degrees 56' West from a point which is 1,322.00 feet distant North and 900.00 feet distant West of the Southeast corner of said Section; thence North 73 degrees 56' East (crossing the South line of said NE1/4 of SE1/4 at approximately Engineer's Station 57+45.0 P.O.T. and crossing the East line of said Section at Engineer's Station 66+81.00 P.O.T. 1,587.00 feet North of the Southeast corner of said Section) for a distance of 1,100.00 feet to Engineer's Station 67+00.00 P.O.T.

Section 33 - A strip of land 66 feet in width in the N1/2 of NW1/4 and SW1/4 of NW1/4 of Section 33 extending from the West line to the North line of said Section and being 33 feet in width on each side of a center line as now staked on the ground and more particularly described as follows:

Beginning at Engineer's Station 124+00.00 P.O.T., a point 128.92 feet distant South 57 degrees 18' West from a point on the West line of said Section which is 1,394.30 feet distant South from the Northwest corner thereof; thence North 57 degrees 18' East (crossing said West line at Engineer's Station 125+28.92 P.O.T.) for a distance of 2,032.04 feet to Engineer's Station 141+27.37 B.C.; thence along a 10 degree curve to the left through a central angle of 30 degrees 28' for an arc distance of 304.67 feet to Engineer's Station 144+32.04 E.C.; thence North 26 degrees 50' East (crossing the North line of said Section at Engineer's Station 147+75.96 P.O.T. 1,702.43 feet distant East of said Northwest corner) for a distance of 367.96 feet to Engineer's Station 148+00.00 P.O.T.

All being in Township 36 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 57:

Section 12 - NE1/4 NE1/4

All being in Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 58:

- Section 4 - SE1/4 SW1/4
- Section 5 - SW1/4 SE1/4
- Section 7 - Government Lots 3 and 4, SE1/4 NW1/4, NE1/4 SW1/4
- Section 8 - W1/2 NE1/4, NE1/4 NW1/4, S1/2 NW1/4, SW1/4, NW1/4 SE1/4
- Section 9 - NE1/4 NW1/4, S1/2 NW1/4, SW1/4
- Section 11 - E1/2 SW1/4, NW1/4 SE1/4, SE1/4 SE1/4
- Section 13 - SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SW1/4, W1/2 SE1/4
- Section 14 - N1/2 NE1/4, SE1/4 NE1/4, NE1/4 NW1/4, SE1/4
- Section 15 - SW1/4 NW1/4, N1/2 SW1/4, SW1/4 SW1/4, NW1/4 SE1/4
- Section 16 - N1/2 NE1/4, W1/2
- Section 17 - S1/2 NE1/4, NE1/4 NW1/4, N1/2 SE1/4
- Section 18 - Government Lots 1, 2, 3 and 4, SE1/4 NW1/4, SW1/4 NE1/4, NE1/4 NE1/4, SE1/4, E1/2 SW1/4
- Section 19 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 20 - S1/2 S1/2
- Section 21 - S1/2 SW1/4
- Section 22 - W1/2 NW1/4, NW1/4 SW1/4
- Section 23 - NE1/4, N1/2 SE1/4, SW1/4 SE1/4
- Section 24 - NE1/4, W1/2 NW1/4, NW1/4 SW1/4
- Section 26 - NW1/4 NE1/4, N1/2 NW1/4
- Section 27 - W1/2 NE1/4, SE1/4 SE1/4
- Section 28 - NW1/4 NE1/4, N1/2 NW1/4, SW1/4 NW1/4, SW1/4
- Section 29 - NE1/4 NE1/4, W1/2, E1/2 SE1/4
- Section 30 - Government Lots 1, 2, 3 and 4, E1/2 W1/2, E1/2
- Section 31 - Government Lots 1, 2, and 3, E1/2 W1/2, NE1/4, NW1/4 SE1/4
- Section 32 - N1/2 N1/2, SW1/4 NW1/4
- Section 33 - W1/2 NE1/4, SW1/4 SE1/4, E1/2 SW1/4, N1/2 NW1/4, SE1/4 NW1/4
- Section 34 - N1/2, NE1/4 SE1/4
- Section 35 - S1/2 NE1/4, SW1/4 NW1/4, W1/2 SW1/4, SE1/4 SW1/4, E1/2 SE1/4
- Section 36 - NW1/4, W1/2 SW1/4, W1/2 NE1/4

All being in Township 38 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

AMENDED LEGAL DESCRIPTION

PARCEL 59:

Section 28 - SW1/4 NW1/4, N1/2 SW1/4, SW1/4 SW1/4
Section 33 - The W1/2 NW1/4 EXCEPTING THEREFROM the following: Beginning at the Southeast corner of the W1/2 NW1/4; thence North 215 feet; thence West 200 feet; thence South 215 feet to the South line of said property; thence East 200 feet to the point of beginning.

All being in Township 40 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 60:

Section 7 - West 60 feet of NE1/4 NE1/4 lying South of State Highway 140, SE1/4 NE1/4, E1/2 SE1/4

Section 8 - NW1/4 of the NW1/4 of the SW1/4, the NW1/4 of the SW1/4 of the SW1/4 and that portion of the SW1/4 of the NW1/4 of the SW1/4 lying West of a line; Beginning at the Northeast corner of said subdivision; thence South 24 degrees 30' West, 160.48 feet; thence South 05 degrees 19' West, 216.42 feet; thence South 17 degrees 19' East, 237.16 feet; thence South 16 degrees 10' East, 75.16 feet, more or less to the Southeast corner of said subdivision.

Section 18 - NE1/4 NE1/4

All being in Township 38 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 61:

Section 32 - Government Lots 1, 2, 3, 4, 5, 9, 10 and 11, SW1/4, SW1/4 SE1/4

Section 31 - Government Lots 1, 2, and 3, NW1/4 NW1/4, S1/2 NE1/4, NW1/4 SE1/4, E1/2 SE1/4

All being in Township 36 South, Range 7 East of the Willamette Meridian West of Lake, Klamath County, Oregon.

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.

PARCEL 62:

Section 5 - All

Section 6 - All

Section 7 - Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, and 16

Section 8 - N1/2

Section 18 - Government Lots 2, 3 and 4, Government Lot 1 Less the South 570 feet of the East 497 feet thereof.

All being in Township 37 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

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

CONTRACTS FOR SALE

1. Timber sale agreement for Tom Creek Timber sale between US Timberlands Klamath Falls, L.L.C. as seller and US Forest Industries, Inc. as Buyer, agreement dated April 23, 1997, consisting of approximately 252 acres and 3 harvest units in Klamath County, Township 40 South, Range 5 East, Section 26.
2. Timber sale agreement for Fox Lake Timber sale wherein US Timberlands Klamath Falls, L.L.C. is the seller and US Forest Industries, Inc. is the Buyer, agreement dated June 27, 1997, consisting of approximately 747 acres and 3 harvest units in Klamath County, Township 40 South, Ranges 5 and 6 East, Sections 28, 29, 30 and 36.
3. Timber sale agreement for Chemult Timber sale and Timber Deed relating thereto wherein US Timberlands Klamath Falls, L.L.C. is the seller and Grantor and Crown Pacific Limited Partnership is the Buyer and Grantee, agreement dated February 10, 1997, consisting of approximately 2,700 acres in Klamath County, Townships 27, 28 and 29, Ranges 7 and 8.
4. Timber sale agreement for Long Prairie Timber sale wherein US Timberlands Klamath Falls, L.L.C. is the seller and Madison-JMK, Inc. is the Buyer, agreement dated March 26, 1997, consisting of approximately 763 acres and 3 harvest units in Klamath County, Township 40 South, Range 5 East, Sections 21, 27, 28, 29 and 32.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameri title the 15th day
of July A.D., 19 97 at 2:52 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 22132

FEE \$395.00

By Bernetha G. Letsch, County Clerk
Kathleen Rose