

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

A. NAME & PHONE OF CONTACT AT FILER (optional)

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

Gayla Wicks Germain
 Sidley Austin Brown & Wood
 Bank One Plaza
 10 South Dearborn Street
 Chicago, IL 60603

MTC 53208

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (1a or 1b) - do not abbreviate or combine names

1a. ORGANIZATION'S NAME		1b. INDIVIDUAL'S LAST NAME			
U.S. Timberlands Yakima, LLC, a Delaware limited liability company					
OR		FIRST NAME		MIDDLE NAME	
				SUFFIX	
2c. MAILING ADDRESS		CITY		STATE	
700 East Mountain View, 507		Ellensburg		WA 98926	
2d. TAX ID # SSN OR EIN		2e. ADD'L INFO RE ORGANIZATION		2f. TYPE OF ORGANIZATION	
06-1550575		DEBTOR		LLC	
2g. JURISDICTION OF ORGANIZATION		2h. ORGANIZATIONAL ID #, if any		2i. ORGANIZATIONAL ID #, if any	
DE		DE #3037687		NONE	

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - Insert only one debtor name (2a or 2b) - do not abbreviate or combine names

2a. ORGANIZATION'S NAME		2b. INDIVIDUAL'S LAST NAME			
		FIRST NAME		MIDDLE NAME	
OR				SUFFIX	
2c. MAILING ADDRESS		CITY		STATE	
				POSTAL CODE	
2d. TAX ID # SSN OR EIN		2e. ADD'L INFO RE ORGANIZATION		2f. TYPE OF ORGANIZATION	
2g. JURISDICTION OF ORGANIZATION		2h. ORGANIZATIONAL ID #, if any		2i. ORGANIZATIONAL ID #, if any	
2d. DEBTOR		DE		DE	

3. SECURED PARTY'S NAME (or NAME OF TOTAL ASSIGNEE OF ASSIGNOR SP) - Insert only one secured party name (3a or 3b)

3a. ORGANIZATION'S NAME		3b. INDIVIDUAL'S LAST NAME			
BNY Midwest Trust Company, an Illinois Corporation		as Trustee for MBIA Insurance Corporation and various Noteholders			
OR		FIRST NAME		MIDDLE NAME	
				SUFFIX	
3c. MAILING ADDRESS		CITY		STATE	
2 North LaSalle Street, Suite 1020		Chicago		IL 60602	
3d. COUNTRY					
USA					

4. This FINANCING STATEMENT covers the following collateral:

All assets of Debtor now owned or hereafter acquired, including, without limitation, the collateral described on Exhibits A and B attached, and all proceeds therefrom.

5. ALTERNATIVE DESIGNATION (if applicable):	LESSEE/LESSOR	CONSIGNEE/CONSIGNOR	BALEE/BAILOR	SELLER/BUYER	AG. LIEN	NON-UCC FILING
6. <input checked="" type="checkbox"/> THIS FINANCING STATEMENT is to be filed (or recorded) in the REAL ESTATE RECORDS. <input checked="" type="checkbox"/> Annex Attached.	7. Check to REQUEST SEARCH REPORT(S) on Debtor(s) IN ADDITIONAL <input type="checkbox"/> (ADDITIONAL FEE)					
8. OPTIONAL FILER REFERENCE DATA						

46967

UCC FINANCING STATEMENT ADDENDUM

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

9. NAME OF FIRST DEBTOR (1a or 1b) ON RELATED FINANCING STATEMENT

9a. ORGANIZATION'S NAME U.S. Timberlands Yakima, LLC		
OR 9b. INDIVIDUAL'S LAST NAME FIRST NAME MIDDLE NAME SUFFIX		

10. MISCELLANEOUS:

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

11. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME - insert only one name (11a or 11b) - do not abbreviate or combine names

11a. ORGANIZATION'S NAME					
OR 11b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
11c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY
11d. TAX ID # BSN OR EIN	ADD'L INFO RE ORGANIZATION DEBTOR	11e. TYPE OF ORGANIZATION	11f. JURISDICTION OF ORGANIZATION	11g. ORGANIZATIONAL ID #, if any	<input type="checkbox"/> NONE
12. <input checked="" type="checkbox"/> ADDITIONAL SECURED PARTY'S 12a. ORGANIZATION'S NAME		ASSIGNOR S/P'S NAME - Insert only one name (12a or 12b)			
OR 12b. INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX	
12c. MAILING ADDRESS		CITY	STATE	POSTAL CODE	COUNTRY

13. This FINANCING STATEMENT covers Timber to be cut or as-extracted collateral, or is filed as a future filing.

14. Description of real estate.

See attached Exhibit B

15. Name and address of a RECORD OWNER of above-described real estate
(If Debtor does not have a record interest.)

17. Check only if applicable and check only one box.

Debtor is a Trust or Trustee acting with respect to property held in trust or Decedent's Estate

18. Check only if applicable and check only one box.

 Debtor is a TRANSMITTING UTILITY Filed in connection with a Manufactured-Home Transaction — effective 30 years Filed in connection with a Public-Finance Transaction — effective 30 years

EXHIBIT A
to Oregon UCC-1

Debtor: U.S. Timberlands Yakima, LLC, a Delaware limited liability company
Secured Party: BNY Midwest Trust Company, an Illinois corporation

DESCRIPTION OF COLLATERAL:

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with or appropriated for use on the Timber Property (as defined below); all rents, issues, deposits and profits of the Timber Property (to the extent, if any, they are not subject to the *Absolute Assignment of Rents and Leases* as set forth in the Deed of Trust granted by the Debtor as of the date hereof and securing the Mortgaged Property as defined therein (the "Deed of Trust")); all inventory, accounts, cash receipts, deposit accounts, impounds, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, any other rights to the payment of money, trade names, trademarks and service marks arising from or related to the Timber Property or any business now or hereafter conducted thereon by Debtor; all permits, consents, approvals, licenses, authorizations and other rights granted by, given by or obtained from, any governmental entity with respect to the Timber Property; all deposits or other security now or hereafter made with or given to utility companies by Debtor with respect to the Timber Property; all advance payments of insurance premiums made by Debtor with respect to the Timber Property; all plans, drawings and specifications relating to the Timber Property; all note proceeds held by the Beneficiary, whether or not disbursed; all funds deposited with the Beneficiary pursuant to any of the Transaction Documents, all reserves, deferred payments, deposits, accounts, refunds, cost savings and payments of any kind related to the Timber Property or any portion thereof, including, without limitation, all "Impounds" as defined herein; together with all replacements and proceeds of, and additions and accessions to, any of the foregoing, all books, records and files relating to any of the foregoing; and any item described in ARTICLE I below which is, has, or may be deemed not to constitute a part of the Mortgaged Property.

ARTICLE I:

- 1.1. **TIMBER PROPERTY.** All right, title and interest of Debtor, now owned or hereafter acquired, with respect to that real property located in the Counties of Klamath and Lake, in the State of Oregon, subject to Permitted Encumbrances (as defined in the Indenture by and among the Debtor, Secured Party, and MBIA Insurance Corporation, dated as of the date hereof (the "Indenture")), and more particularly described on EXHIBIT B attached hereto and made a part hereof, including all appurtenances described in 1.1.1 – 1.1.3 below (the "Timber Property");

- 1.1.1. Together with (i) all right, title and interest of the Debtor, now owned or hereafter acquired, in and to all buildings, structures and other improvements now standing, or at any time hereafter constructed or placed, upon such land, including, without limitation, all right in and to all equipment and fixtures of every kind and nature on such land or in any such buildings, structures or other improvements and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected on the Timber Property, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the Timber Property (such buildings, structures, other improvements, equipment and fixtures being herein collectively called the "Improvements"), (ii) all right, title and interest of Debtor, now owned or hereafter acquired, in and to all and singular the estates, tenements, hereditaments, easements, licenses, rights of way, rights, privileges and appurtenances in and to any portion of the Timber Property belonging or in any way appertaining thereto, including, without limitation, all right, title and interest of the Debtor in, to and under any streets, ways, alleys, vaults, gores or strips of land adjoining such land, (iii) all right, title and interest of Debtor, now owned or hereafter acquired, in and to all development rights or credits, air rights, water, water rights and water stock related to the Timber Property, and all timber, logs, minerals, oil and gas, and other hydrocarbon substances in, on or under the Timber Property, and all appurtenances, easements, rights and rights of way appurtenant thereto, and (iv) all claims or demands of the Debtor, in law or in equity, in possession or expectancy of, in and to such land together with all franchises, royalties, rents, income, revenues, issues and profits from and in respect of the Timber Property and the present and continuing right to make claim for, collect, receive and receipt for the same as hereinafter provided;
- 1.1.2. Together with, all right, title and interest of Debtor, now owned or hereafter acquired, in and to (i) all extensions, improvements, betterments, renewals, substitutes and replacements of and on the Timber Property and (ii) all additions and appurtenances thereto not presently leased to or owned by Debtor and hereafter leased to, acquired by or released to the Debtor or, constructed, assembled or placed upon the Timber Property immediately upon such leasing, acquisition, release, construction, assembling or placement, and without any further grant or other act by Debtor;
- 1.1.3. Together with all the estate, right, title and interest of Debtor, now owned or hereafter acquired, in and to all contract rights, actions and rights in action, relating to the Timber Property, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to such property and all judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the Timber Property or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States

Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to the Timber Property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance, punitive and consequential damage;

- 1.2. **Timber.** All right, title and interest of Debtor, now owned or hereafter acquired, subject to Permitted Encumbrances, with respect to the trees and timber, including without limitation standing timber (including timber to be cut) and crops, now located on or hereafter planted or growing in the soil of, or otherwise attributable to, any Timber Property, or any part or parcel thereof, and all additions, substitutions and replacements thereof, all standing trees (both merchantable and pre-merchantable) and all downed trees, in either case now or hereafter growing, grown or located on the Timber Property, including all trees, timber and crops which have been severed, cut or harvested from the Timber Property, or any parcel thereof, and with respect to which title has not yet passed to a third party purchaser (which third party purchaser may be an affiliate of Debtor), and any rights, whether now existing or hereafter created, with respect to the harvesting, cutting or severance of any timber on the Timber Property, including all interest of Debtor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, whether payable or accruing, issuing therefrom, including all proceeds from and reversionary interests in timber contracts or deeds where title has passed to a third party purchaser;
- 1.3. **Timber Harvesting Plans.** All right, title and interest of Debtor, now existing or hereafter created, in respect of any documents of any kind filed with any governmental authority with respect to the harvesting, cutting or severance of Timber, including without limitation all Timber Harvesting Plans, as such term is defined in the Indenture;
- 1.4. **Records.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all documents, books, credit files, records, and other information (including, without limitation, computer programs, tapes, discs, punch cards, data processing software and related security and rights) with respect to any of the property secured by the Deed of Trust and in respect of the geographical information system running on an MB&G SSI platform supplemented by ARC-INFO or ARC-VIEW software or any replacement platform or software for the Debtor, including any Data Processing Equipment and/or Data Processing Information which is a part of such system, and any plans, maps, surveys, engineering reports and information to be used in connection with the Timber Property;
- 1.5. **Trust Accounts.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all trust accounts and all other bank and similar accounts established, in whole or in part, for the benefit of any of the Debtor or the Secured Party pursuant to the terms of the Indenture or the Deed of Trust, all funds held therein, all investments from time to time on deposit, or made with proceeds from, in any such accounts, and all income from such funds or investments;

- 1.6. **Lockboxes.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all lock boxes, lock-box accounts, deposit accounts and all other bank and similar accounts into which Collections are or are to be deposited, and all funds held therein;
- 1.7. **Certificates and Instruments.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all certificates and instruments, if any, from time to time representing or evidencing any of the foregoing property described in Sections 1.1 through 1.6 above;
- 1.8. **Servicing Agreement.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all rights of the Debtor under the Servicing Agreement (as defined in the Indenture) or any other management or servicing agreements affecting the Timber Property;
- 1.9. **Equity Interest.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of all stock, and all interests in any limited partnership, limited liability company or other entity, including without limitation, the Klamath Holdings Interests (as defined in the Indenture);
- 1.10. **Intangible Assets.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of any accounts, inventory, general intangibles, letters of credit, letter of credit rights, supporting obligations, payment intangibles, interest rate commodity or currency exchange agreements, all rights to payment under any interest rate cap, chattel paper, contract rights, investment property, financial assets, instruments and documents, to the extent not described in any of Sections 1.1 through 1.9 above;
- 1.11. **Proceeds.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of any and all proceeds of the foregoing property described in Sections 1.1 through 1.10 above, and all interest, dividends, cash, instruments, financial assets, investment property and other property from time to time received, receivable or otherwise distributed in respect of, or in exchange for or on account of the sale or other disposition of any or all of the then existing Mortgaged Property, and including all payments under any mortgagee title insurance policies relating to the foregoing property (whether or not the Secured Party 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 Mortgaged Property; and
- 1.12. **Other.** All right, title and interest of Debtor, now owned or hereafter acquired, in respect of any and all other monies or property of the Debtor coming into the actual possession, custody or control of the Secured Party (whether for safekeeping, deposit, custody, pledge, transmission, collection or otherwise).

Legal Description

Debtor: U.S. Timberlands Yakima, LLC, a Delaware limited liability company

Secured Party: The Bank of New York, a New York banking corporation

PARCEL 1

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 2

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 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 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

(continued)

PARCEL 3 (continued):

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 4

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 5

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 6

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 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

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

PARCEL 7

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 8

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 9

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 10

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 Government Lot 1 and the S1/2 Government Lot 2 and in the SE1/4 of the NE1/4 of said Section 1 and being 33 feet on each side of a center line as now staked on the ground and more particularly described as follows:

(continued)

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PARCEL 10 (continued)

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 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 11:

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

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

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

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

Section 9 - All

Section 10 - All

Section 11 - All

Section 12 - All

Section 13 - N1/2 N1/2

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

PARCEL 12:

That certain timber and other forest products now standing, growing, lying or being within the timber stands listed by stand number on Exhibit B attached to Timber Deed (Sprague River) recorded on May 31, 2001 in Klamath County, Oregon in Volume M01, Page 24992, and further identified on the maps marked as Exhibit C attached to said deed, all of which timber and other forest products are located on the following described property:

ALL LOCATED IN TOWNSHIP 35 SOUTH, RANGE 15 EAST, WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON:

Section 11: The South half of the South half.

Section 13: The Southwest quarter of the Northwest quarter.

Section 14: All,

Section 15: The East half of the Northeast quarter; the South half,

Section 21: The Southeast quarter,

Section 22: All,

Section 23: The Northwest quarter of the Northeast quarter; the West half,

Section 26: The Northwest quarter of the Northeast quarter; the West half; the West half of the Southeast quarter,

Section 27: All.

Section 28: All,

Section 29: The Southeast quarter of the Northeast quarter; the South half of the Northeast quarter of the Southwest quarter; the South half of the Southwest quarter; the Southeast quarter,

Section 32: Government Lots 1, 2, 3 and 4; the North half of the South half; the North half,

Section 33: Government Lots 1, 2, 3 and 4; the North half of the South half; the North half,

Section 34: Government Lots 1, 2, 3 and 4; the North half of the South half; the North half,

Section 35: Government Lots 3 and 4; the Northwest quarter of the Southwest quarter; the Northwest quarter