

Return address:

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Sidley Austin Brown & Wood
Bank One Plaza
10 South Dearborn Street
Chicago, Illinois 60603

State of Oregon, County of Klamath
Recorded 02/24/2003 3:33 p. m.
Vol M03 Pg 11028-52
Linda Smith, County Clerk
Fee \$ 156⁰⁰ # of Pgs 25

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MTC 53208

Document:

Line of Credit Instrument [Klamath County]

First Amendment to Line of Credit Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and Assignment of Rents and Leases

Grantor:

U.S. Timberlands Yakima, LLC, a Delaware Limited Liability Company, with an address of 700 East Mountain View, Suite 507, Ellensburg, Washington 98926

Beneficiary:

BNY Midwest Trust Company, an Illinois corporation acting as trustee under the Indenture.

Trustee:

Chicago Title Insurance Company, with an address of 701 Fifth Avenue, Suite 1800, Seattle, Washington for 98104

The maturity date of the initial series of the Notes secured by this Deed of Trust, exclusive of any option to renew or extend such maturity date, is September 14, 2015.

The maximum principal amount to be advanced pursuant to the Indenture and Notes secured by this Deed of Trust is \$95,000,000.00 which amount may be exceeded by advances, pursuant to ORS 86.155(2)(c).

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ORS 79.0502(3).

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

THIS FIRST AMENDMENT TO DEED OF TRUST, SECURITY AGREEMENT, FINANCING STATEMENT, FIXTURE FILING AND ASSIGNMENT OF RENTS AND LEASES ("First Amendment") is entered into as of the 21st day of February, 2003 by and among U. S. TIMBERLANDS YAKIMA, LLC, a Delaware limited liability company, having its principal place of business at 700 East Mountain View, Suite 507, Ellensburg, Washington 98926 ("Grantor"), Chicago Title Insurance Company, whose address is 10001 S.E. Sunnyside Road, Clackamas, Oregon 97015, as Trustee ("Trustee"), in trust for the benefit of BNY MIDWEST TRUST COMPANY, an Illinois corporation, having an address at 2 North LaSalle Street, Suite 1020, Chicago, Illinois 60602 ("Beneficiary") acting as trustee under the Indenture, and MBIA Insurance Corporation, having an address at 113 King Street, Armonk, New York 10504, as insurer ("Insurer"). Capitalized terms used herein but not defined herein shall have the meanings ascribed to such terms in the Original Deed of Trust (as such term is defined below).

WITNESSETH:

WHEREAS, Grantor has issued certain notes in one or more series, the initial series having an aggregate face value not to exceed NINETY FIVE MILLION AND NO/100THS DOLLARS (\$95,000,000.00) and maturing in no event later than September 14, 2015 (the notes of the initial series and all subsequent series hereinafter referred to as the "Notes"), pursuant to that certain U. S. Timberlands Yakima Indenture, dated September 14, 2001, by and among Grantor, Insurer and Beneficiary, and any applicable Supplement dated of even date therewith or such other later date (the "Indenture").

WHEREAS, in order to secure the payment and performance by Grantor of the Secured Obligations (defined in the Original Deed of Trust), Grantor granted and Trustee, on behalf of the Secured Parties, accepted a lien upon, security interest in, and an assignment of certain Mortgaged Property (defined in the Original Deed of Trust) owned by Grantor as evidenced by that certain Line of Credit Deed of Trust, Security Agreement, Financing Statement, Fixture Filing and assignment of Rents and Leases dated as of September 14, 2001 and recorded September 14, 2001 in Volume M01, Page 46920, records of Klamath County, Oregon ("Original Deed of Trust") by and among Grantor, Trustee and Insurer.

WHEREAS, Subsequent to making the Original Deed of Trust, Grantor acquired certain real property by Timber Deed (Horse Glade) and by Timber Deed (Rodeo Butte), both dated as of September 17, 2001 and recorded November 6, 2001 in Volume M01, Pages 57057 and 56987, respectively, in the records of Klamath County, Oregon, and by Timber Deed (4th Quarter 2001 Timber Harvest), dated November 8, 2001 and recorded November 14, 2001 in Volume M01, Page 58452, in said records, and by Warranty Deed (Yainax Butte), dated November 8, 2002 and recorded November 13, 2002 in Volume M02, Page 65853, in said records, all as further described in Section 1 below and hereinafter referred to collectively as the "Additional Property".

WHEREAS, It is the intention of the Grantor, Beneficiary and Insurer that the Additional Property be subject to the lien of the Original Deed of Trust.

AGREEMENT

NOW, THEREFORE, for and in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Additional Property. Exhibit A of the Original Deed of Trust is hereby amended to include all property described on Schedules A-1, A-2, and A-3 attached hereto and by this reference incorporated herein (the "Additional Property"). All references to "Exhibit A" and "Timber Property" in the Original Deed of Trust shall hereafter include the Additional Property described in this Amendment as if such property had been included in the Original Deed of Trust as of the date of execution thereof.

2. Permitted Exceptions. Exhibit B of the Original Deed of Trust is hereby amended to include the following language as subsection (j) thereof

"The specific matters, if any, to which the Timber Property in Klamath County, Oregon, is expressly made subject as set forth in the Commitments for Title Insurance issued by Chicago Title Insurance Company as Order No. 55168, effective as of October 10, 2002, Order No. 58978, effective as of October 22, 2002, and Order No. 55690, effective as of October 10, 2002."

3. Ratification. The Original Deed of Trust as amended and supplemented by this First Amendment, is hereby ratified and affirmed and remains in full force and effect. It is not the intent of the parties hereto that the lien of the Original Deed of Trust be released, reconveyed or interrupted; but, rather, that the lien be continued uninterrupted and in full force and effect on the terms as provided in the Original Deed of Trust and herein and with the same priority as the Original Deed of Trust had prior to the date hereof.

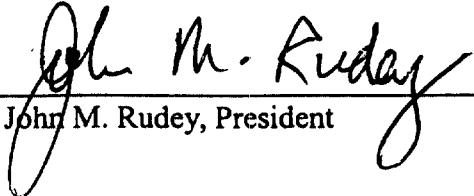
4. Deed of Trust. All references to the "Deed of Trust" shall hereafter refer to the Original Deed of Trust as amended and supplemented by this First Amendment.

[Signatures Follow]

11031

EXECUTED as of the day and year first above written.

U.S. TIMBERLAND YAKIMA, LLC

By: 
John M. Rudey, President

BNY MIDWEST TRUST COMPANY, as Trustee

By: _____
Robert Castle, Assistant Vice President

MBIA INSURANCE CORPORATION, as Insurer

By: _____
David Christiansen, Vice President

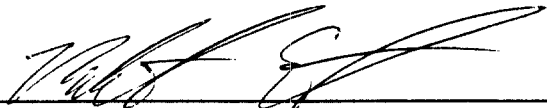
11032

EXECUTED as of the day and year first above written.

U.S. TIMBERLAND YAKIMA, LLC

By: _____
John M. Rudey, President

BNY MIDWEST TRUST COMPANY, as Trustee

By:  _____
Robert Castle, Assistant Vice President

MBIA INSURANCE CORPORATION, as Insurer

By: _____
David Christiansen, Vice President

11033

EXECUTED as of the day and year first above written.

U.S. TIMBERLAND YAKIMA, LLC

By: _____
John M. Rudey, President

BNY MIDWEST TRUST COMPANY, as Trustee

By: _____
Robert Castle, Assistant Vice President

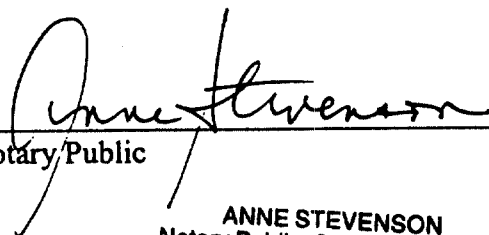
MBIA INSURANCE CORPORATION, as Insurer

By:  _____
David Christiansen, Vice President

11034

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 20th day of February, 2003, before me personally came John M. Rudey, to me known, who, being by me duly sworn, did depose and say that he resides at 625 Madison Avenue, Suite 10-B, New York, New York 10022; that he is the President of U.S. TIMBERLANDS YAKIMA, LLC, the limited liability company that executed the foregoing instrument, and that he signed his name thereto by authority of the board of directors of the limited liability company.



Notary Public

ANNE STEVENSON
Notary Public, State of New York
No. 01ST5079491
Qualified in Queens County
Certificate Filed in New York County
Commission Expires

August 17, 2005

(Seal)

11035

STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 21st day of February, 2003 by Robert Castle, Assistant Vice President of BNY Midwest Trust Company, an Illinois corporation, on behalf of the corporation in its capacity as trustee under the Indenture and authenticated by said corporation as trustee.

OFFICIAL SEAL
T. MUZQUIZ
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 07/28/06

(Seal)

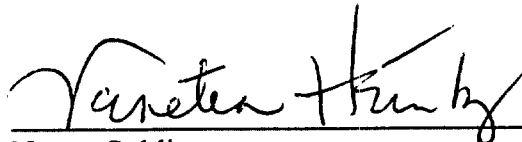
T. Muzquiz
Notary Public

T. MUZQUIZ
NOTARY PUBLIC

11036

STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On the 20 day of February, 2003, before me personally came David Christiansen, to me known, who, being by me duly sworn, did depose and say that he resides at 113 King Street, Armonk, New York 10504; that he is the Vice President of MBIA INSURANCE CORPORATION, the corporation that executed the foregoing instrument, and that he signed his name thereto by authority of the board of directors of the corporation.



Notary Public

VENETIA HEINTZ
Notary Public, State of New York
No. 4913688
Qualified in Westchester and Putnam Counties
Commission Expires 07-05-20 06

SCHEDULE A-1**(Horse Glade and Rodeo Butte)****LEGAL DESCRIPTION**

All timber now standing, growing, lying or being on the real property described on the following pages "A-1-2" – "A-1-4", as set out in those certain Timber Deeds (Horse Glade and Rodeo Butte), both dated September 17, 2001 and recorded November 6, 2001 in Volume M01, pages 57057 and 56987, respectively, in the records of Klamath County, Oregon.

PARCEL 1

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 SE1/4; N1/2 SW1/4; 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 2

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
 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.

(continued)

EXHIBIT "A"
LEGAL DESCRIPTION (continued)

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, 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 4

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.

(continued)

EXHIBIT "A"
LEGAL DESCRIPTION (continued)

PARCEL 5

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 6

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
 Section 15 - NW1/4; N1/2 SW1/4, W1/2 NE1/4, NW1/4 SE1/4
 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, W1/2 SW1/4
 Section 29 - N1/2 NE1/4, SE1/4 NE1/4, N1/2 NW1/4, N1/2 S1/2 NW1/4

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

SCHEDULE A-2**(4th Quarter 2001 Timber Harvest)****LEGAL DESCRIPTION**

All timber now standing, growing, lying or being on the real property described on the following pages "A-2-2" – "A-2-7", as set out in that certain Timber Deed (4th Quarter 2001 Timber Harvest) dated November 8, 2001, and recorded November 14, 2001 in Volume M01, page 58452 in the records of Klamath County, Oregon.

PARCEL 1

Section 27: SW1/4
Section 28: SE1/4
Section 33: NE1/4
Section 34: NW1/4

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

PARCEL 2

Section 1: S1/2
Section 2: S1/2
Section 11: NE1/4
Section 12: NW1/4
Section 27: NW1/4
Section 28: E1/2

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

PARCEL 3

Section 2: Government Lots 1, 2, 3 and 4; S1/2 N1/2; S1/2.
Section 4: S1/2 S1/2
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

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

PARCEL 4

Section 16: SE1/4 SE1/4
Section 21: NE1/4
Section 22: NW1/4 NW1/4

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

PARCEL 5

Section 33: W1/2 SE1/4; E1/2 SW1/4

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

PARCEL 6

Section 4: S1/2 NW1/4; SW1/4
 Section 7: S1/2 SE1/4
 Section 8: S1/2 NE1/4; N1/2 SE1/4; SW1/4 SW1/4
 Section 9: W1/2
 Section 17: W1/2
 Section 18: Government Lots 1, 2, 3 and 4; E1/2 W1/2; E1/2
 Section 19: Government Lot 1; N1/2 NE1/4; NE1/4 NW1/4
 Section 20: ALL.
 Section 21: W1/2
 Section 28: N1/2 NW1/4
 Section 29: N1/2 NE1/4

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

PARCEL 7

Section 1: S1/2, 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 4: Government Lots 3 and 4; S1/2 NW1/4
 Section 5: Government Lots 1 and 2; S1/2 NE1/4

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

PARCEL 8

Section 32: SW1/4 SE1/4, lying southerly of the State Highway 140.

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

PARCEL 9

Section 5: ALL
 Section 6: E1/2; E1/2 SW1/4
 Section 7: Government Lots 1, 2, 3 and 4
 Section 8: E1/2 NE1/4
 Section 15: S1/2, Except that part in highway.
 Section 17: S1/2
 Section 19: Government Lots 1, 8, 9 and 16
 Section 20: ALL.
 Section 21: SE1/4
 Section 22: ALL.
 Section 23: SW1/4, Except that part in highway.
 Section 26: NW1/4
 Section 27: N1/2; SE1/4
 Section 29: ALL.
 Section 30: Government Lots 1 and 2; SE1/4; S1/2 NE1/4.
 Section 31: NE1/4
 Section 32: Government Lot 2; N1/2 NW1/4; SW1/4 NW1/4

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

PARCEL 10

11044

Section 3: SW1/4
Section 10: NW1/4
Section 11: SE1/4
Section 13: N1/2
Section 14: NE1/4

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

PARCEL 11

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 a "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;
- (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

- Continued -

Legal Description (continued)

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 5: S1/2, Less a strip in N1/2 SW1/4, SE1/4 SW1/4 and S1/2 SE1/4 for existing public road.

Section 6: SE1/4, Less a strip in N1/2 SE1/4 for existing public road

Section 7: NE1/4

Section 8: All. Less a strip in NE1/4 NE1/4 for existing public road

Section 9: W1/2, Less a strip in NW1/4 NW1/4, S1/2 NW1/4, N1/2 SW1/4 and SE1/4 SW1/4 for existing public road.

Section 11: N1/2

Section 13: All

Section 16: NW1/4

Section 17: N1/2

Section 24: NE1/4

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

PARCEL 12

Section 32: NE1/4; S1/2.

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

PARCEL 13

Section 18: 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 29: NW1/4

Section 30: Government Lots 1 and 6

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

PARCEL 14

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 18: NW1/4 NW1/4.

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

11047

PARCEL 15

Section 4: Government Lots 1 and 2; S1/2 NE1/4
Section 11: SE1/4
Section 12: SW1/4
Section 13: NW1/4
Section 14: NE1/4
Section 21: ALL
Section 22: NW1/4
Section 33: ALL

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

PARCEL 16

Section 4: Government Lots 1, 2; 3 and 4
Section 12: ALL.

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

SCHEDULE A-3

11048

(Yainax Butte Tract)

(See Attached)

EXHIBIT "A"
LEGAL DESCRIPTION

11049

PARCEL 1:

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 2:

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.

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Parcel No. 2 (continued)

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 3:

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 4:

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

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Parcel No. 4 (continued)

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 5:

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:

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.

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PARCEL 6:

Standing timber on the following described property located in Klamath County, Oregon:

Township 37 South, Range 13 East, Willamette Meridian:

Section 12 - NE1/4; SE1/4; SW1/4; SE1/4 of NW1/4

Section 13 - N1/2 of the NE1/4; SW1/4 of the NE1/4; NE1/4 of the NW1/4

Township 37 South, Range 14 East, Willamette Meridian:

Section 7 - Government Lots 1, 2, 3 and 4; E1/2 of the W1/2; E1/2 of the NE1/4; SW1/4 of the NE1/4; N1/2 of the SE1/4

Section 8 - W1/2 of the SE1/4; E1/2 of the SW1/4; NW1/4 of the SW1/4

Section 17 - N1/2 of the NE1/4; SE 1/4; E1/2 of the SW1/4; SW1/4 of the SW1/4

Section 19 - Government Lots 3 and 4; E1/2 of the NE1/4; SW1/4 of the NE1/4; SE1/4; E1/2 of the SW1/4; SE1/4 of the NW1/4

Section 20 - The N1/2; W1/2 of the SE1/4; SW1/4

Section 21 - W1/2 of the NW1/4

Section 29 - W1/2 of the NE1/4; NW1/4

Section 30 - Government Lot 1; N1/2 of the NE1/4; SE1/4 of the NE1/4; NE1/4 of the NW1/4

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