

Rt: U.S. Timberlands Klamath Falls, LLC
c/o Timber Resource Services, L.L.C.
6400 Highway 66
Klamath Falls, OR 97601
Attention: Cathy Gray

State of Oregon, County of Klamath
Recorded 12/31/03 12:37 P m
Vol M03 Pg 94234 - 94254
Linda Smith, County Clerk
Fee \$ 121.00 # of Pgs 21

**Until a change is requested, all
severance and harvest tax state-
ments shall be sent to Grantee
at the following address:**

American Forest Services, L.L.C.
625 Madison Avenue, Suite 10-B
New York, NY 10022

TIMBER DEED
(2004 Klamath County Timber Sale)

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company ("Grantor"), for and in consideration of Ten Dollars (\$10) and other good and valuable consideration in hand paid, receipt of which is hereby acknowledged, conveys to American Forest Services, L.L.C., a Delaware limited liability company ("Grantee"), all of the "Conveyed Timber" (as defined below) located on the land situated in Klamath County, Oregon, described on Exhibit A (the "Land") and more specifically, within the areas depicted on the maps marked Exhibit B. Exhibits A and B are attached hereto and incorporated herein.

The true and actual cash consideration for this conveyance is: \$1,643,476.

As used herein, the term "Conveyed Timber" shall mean all timber now standing, growing, lying or being on the Land within the areas depicted on Exhibit B which, as of the date of this Deed, or through growth, during the term hereof, meets the specifications for "Covered Products" set forth in the Lump Sum Timber Sale Agreement dated December 12, 2003 between Grantor and Grantee.

Grantee shall have until December 31, 2004 (the "Termination Date") to cut and remove the Conveyed Timber. On the Termination Date, all right, title and

interest in and to any remaining Conveyed Timber shall revert automatically to the Grantor herein, its successors and assigns, without the requirement of notice, deed or any other action by any party hereto. Provided however, in the event Grantee's harvest or removal of the Covered Products is delayed or prevented due to causes beyond Grantee's reasonable control, the Termination Date may be extended on the terms and conditions set forth in Section 1.6 of the Agreement.

To the extent necessary, Grantee may use the road system on the Land and construct and improve the same for the purposes referenced above, provided that Grantee shall maintain the roads in serviceable, usable condition. Grantee shall abide by all laws applicable to its activities on the Land, except, however, Grantor shall satisfy any reforestation obligations and pay all timber taxes that arise by virtue of the cutting and removal of Conveyed Timber from the Land.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

Dated this 12th day of December, 2003.

GRANTOR:

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

By ~~TIMBER RESOURCE SERVICES,~~
L.L.C., its Sole Manager

By



Tom Ludlow, Vice President/CFO

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

On the 12th day of December, 2003, before me personally came Tom Ludlow, 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 Vice President/CFO of TIMBER RESOURCE SERVICES, L.L.C., the limited liability company that executed the foregoing instrument as Manager of U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., the grantor therein; and that he signed his name thereto by authority of the board of directors of said limited liability company, as Manager.



Catherine Gray
Notary Public for the State of Oregon
My Commission Expires: May 6, 2004

(Seal)

Klamath County 2004 Timber Sale

94237

Exhibit A

Setting: 3003 Acres: 84 Estimated MBF: 751

Portions of:	Lot 4	Section 4	T29S, R7E
	SW $\frac{1}{4}$ NW $\frac{1}{4}$		
	SE $\frac{1}{4}$ NW $\frac{1}{4}$		
	SW $\frac{1}{4}$ NE $\frac{1}{4}$		
	Lots 1 and 2	Section 5	T29S, R7E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 3107 Acres: 195 Estimated MBF: 1,342

Portions of:	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 14	T28S, R7E
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 3124 Acres: 48 Estimated MBF: 415

Portions of:	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 15	T28S, R7E
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Setting: 1116 Acres: 73 Estimated MBF: 273

Portions of:	NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 17	T28S, R8E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Klamath County 2004 Timber Sale

Exhibit A

NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 3685 Acres: 45 Estimated MBF: 235

Portions of:	SW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 17	T28S, R8E
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 3684 Acres: 46 Estimated MBF: 324

Portions of:	SW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 18	T28S, R8E
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 3686 Acres: 39 Estimated MBF: 214

Portions of:	SW $\frac{1}{4}$ SE $\frac{1}{4}$	Section 18	T28S, R8E
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 1119 Acres: 50 Estimated MBF: 169

Portions of:	NE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 19	T28S, R8E
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Portions of:	SE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 20	T28S, R8E
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 1690 Acres: 45 Estimated MBF: 250

Portions of:	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 30	T28S, R8E
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 1690 (cont'd)

Portions of:	NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 31	T28S, R8E
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Setting: 1703 Acres: 49 Estimated MBF: 577

Klamath County 2004 Timber Sale**Exhibit A**

Portions of:	Lot 1	Section 6	T298S, R8E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 1043 Acres: 116 Estimated MBF: 360

Portions of:	Lots 2 and 3	Section 4	T29S, R8E
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 4111 Acres: 74 Estimated MBF: 373

Portions of:	NE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 16	T36S, R15E
	SW $\frac{1}{4}$ SE $\frac{1}{4}$		
	SE $\frac{1}{4}$ SE $\frac{1}{4}$		
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 21	T36S, R15E
	NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 22	

Setting: 12041 Acres: 221 Estimated MBF: 336

Portions of:	Lots 1, 2, 3 and 4	Section 5	T31S, R11E
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Klamath County 2004 Timber Sale

94240

Exhibit A

Lots 1 and 2	Section 6	T31S, R11E
SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 12007 Acres: 32 Estimated MBF: 114

Portions of:	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 11	T31S, R11E
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Setting: 12700 Acres: 114 Estimated MBF: 269

Portions of:	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 11	T31S, R11E
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Setting: 12126 Acres: 258 Estimated MBF: 707

Portions of:	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 11	T31S, R11E
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 12	T31S, R11E
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 12037 Acres: 110 Estimated MBF: 346

Portions of:	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 21	T31S, R11E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Klamath County 2004 Timber Sale**Exhibit A**

SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 12108 Acres: 188 Estimated MBF: 521

Portions of:	SW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 21	T31S, R11E
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 20	T31S, R11E
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 28	T31S, R11E
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 29	T31S, R11E
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 13110 Acres: 80 Estimated MBF: 311

Portions of:	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 29	T31S, R11E
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 28	T31S, R11E
	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 32	T31S, R11E
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 13112 Acres: 158 Estimated MBF: 344

Portions of:	SW $\frac{1}{4}$ SW $\frac{1}{4}$	Section 27	T31S, R11E
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 28	T31S, R11E
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 33	T31S, R11E

Klamath County 2004 Timber Sale

Exhibit A

SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 34	T31S, R11E
SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"

Setting: 13140 Acres: 377 Estimated MBF: 433

Portions of:	NW $\frac{1}{4}$ SW $\frac{1}{4}$	Section 1	T32S, R11E
	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	Section 2	T32S, R11E
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SW $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 13140 (cont'd)

NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 11	T31S, R11E
NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 12128 Acres: 72 Estimated MBF: 283

Portions of:	SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 12	T31S, R11E
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Klamath County 2004 Timber Sale**Exhibit A**

NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 13	T31S, R11E
NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 80281 Acres: 480 Estimated MBF: 480

Portions of:	Lots 1 and 2	Section 6	T38S, R6E
	NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$	"	"

Setting: 80101 Acres: 71 Estimated MBF: 213

Portions of:	Lot 2	Section 4	T38S, R6E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 80102 Acres: 236 Estimated MBF: 590

Portions of:	SE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 10	T38S, R6E
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SW $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 15	T38S, R6E
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"

Setting: 80103 Acres: 57 Estimated MBF: 130

Portions of:	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 16	T38S, R6E
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	"	"

Setting: 80104 Acres: 40 Estimated MBF: 150

Portions of:	NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 23	T38S, R6E
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Klamath County 2004 Timber Sale**Exhibit A**SW $\frac{1}{4}$ NE $\frac{1}{4}$

“

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Setting: 80105 Acres: 64 Estimated MBF: 480

Portions of: SE $\frac{1}{4}$ Section 28 T38S, R6E

NW $\frac{1}{4}$ NE $\frac{1}{4}$ Section 33 T38S, R6E

Setting: 80107 Acres: 208 Estimated MBF: 312

Portions of: NW $\frac{1}{4}$ Section 32 T38S, R6E
 NE $\frac{1}{4}$ “ “
 SE $\frac{1}{4}$ “ “

Setting: 80158 Acres: 319 Estimated MBF: 638

Portions of: NW $\frac{1}{4}$ Section 20 T38S, R6E
 NE $\frac{1}{4}$ “ “
 SE $\frac{1}{4}$ “ “

Setting: 71191 Acres: 293 Estimated MBF: 375

Portions of: NW $\frac{1}{4}$ Section 8 T39S, R6E
 NE $\frac{1}{4}$ “ “
 SE $\frac{1}{4}$ “ “
 SW $\frac{1}{4}$ “ “

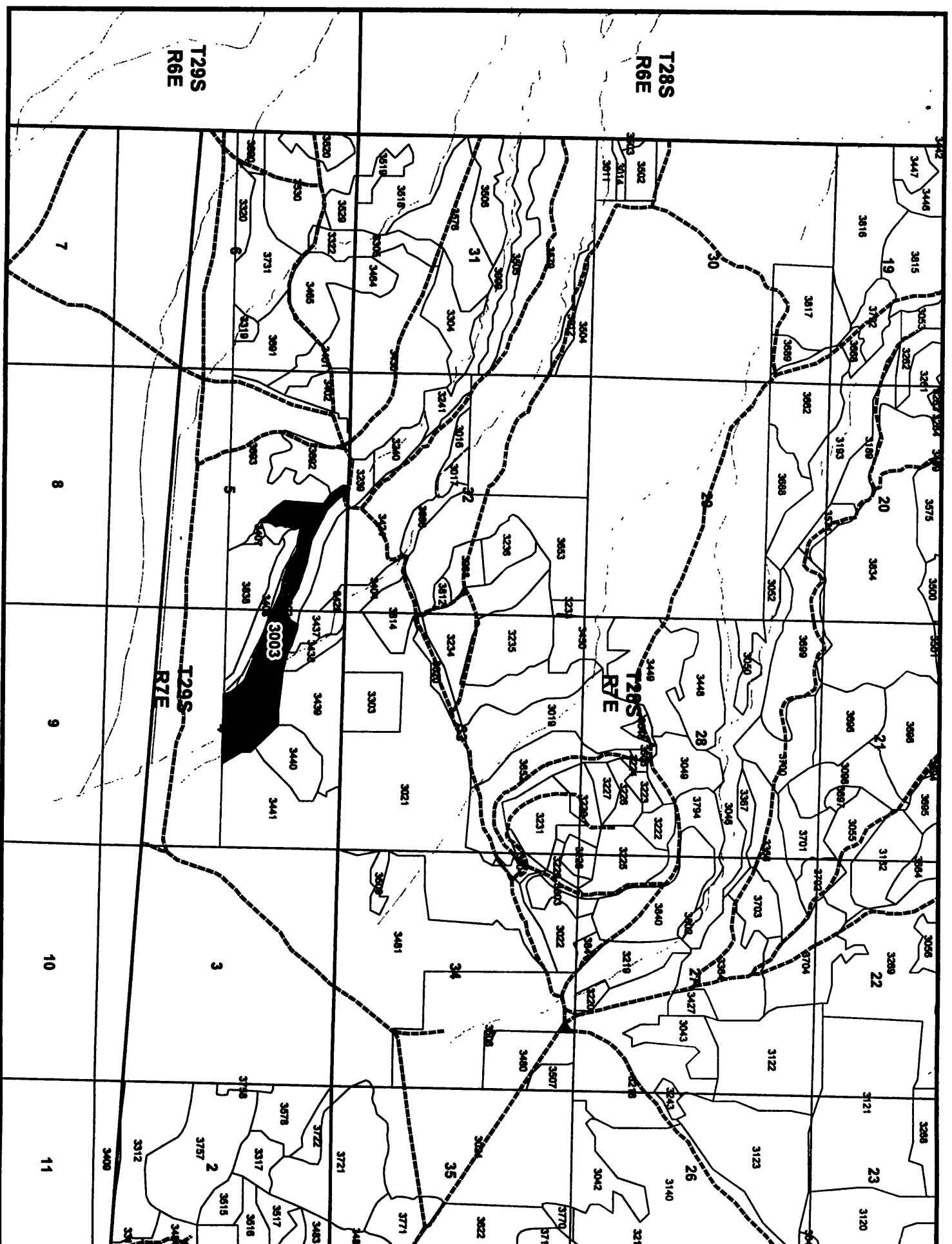
EXHIBIT B**(2004 Klamath County Timber Sale)****Maps**

Please note that the location of the timber being conveyed under this Timber Deed is depicted on the attached maps by the solid polygons, as opposed to any areas that are striped, crosshatched or the like.

Chemult 2004 Plan Settings

 2004 Harvest Units
 All Stands
 MinorRoads
 MajorRoads
 Lakes
 Strm_Detail

Scale 1:24,000

Chemult 1.mxd
12/8/2003

Chemult 2004 Plan Settings

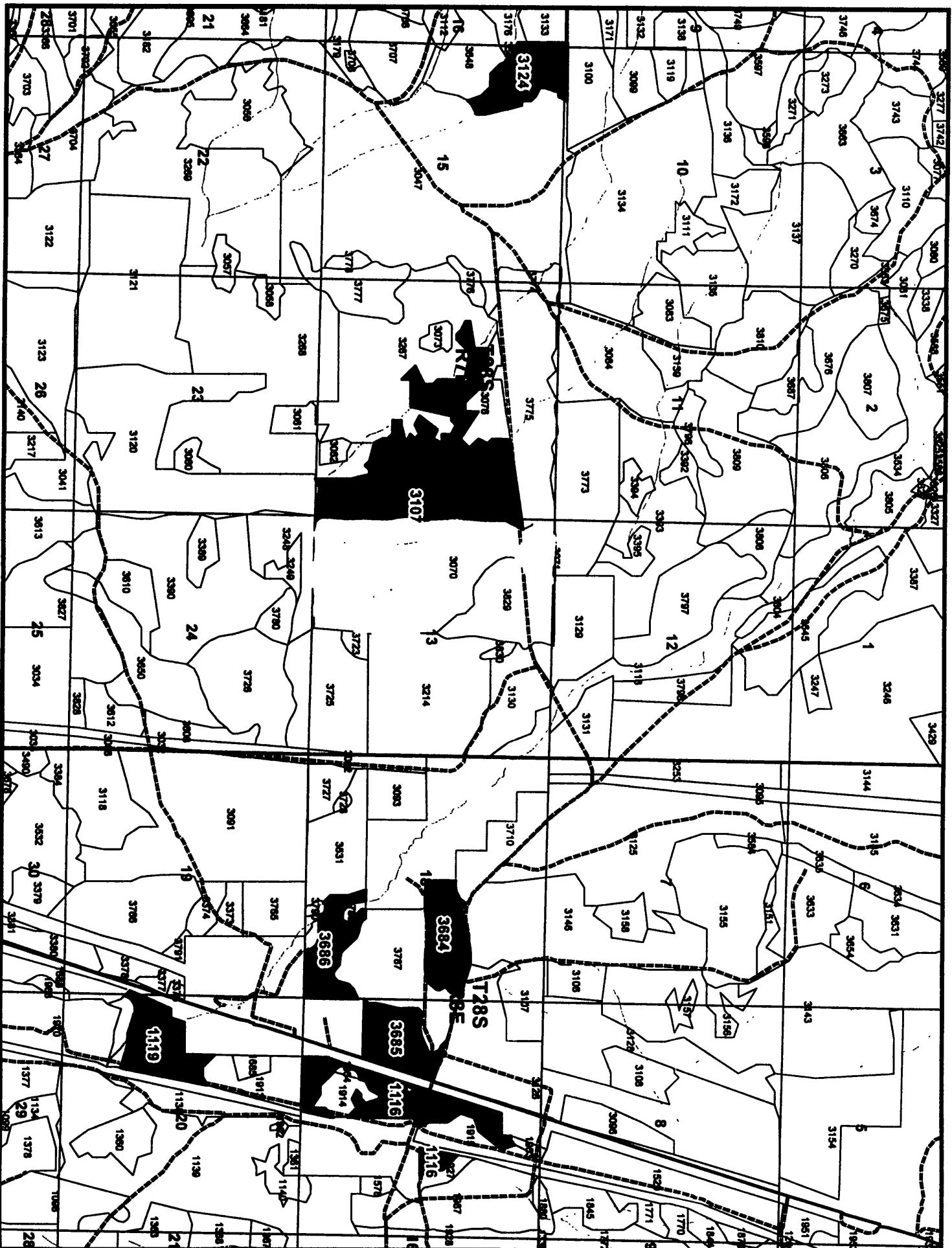
Legend

- 2004 Harvest Units
- All Stands
- MinorRoads
- MajorRoads
- Lakes
- Strm_Detail



Scale 1:24,000

Chemult 2.mxd
12/8/2003



Chemult 2004 Plan Settings

2004 Harvest Units

☐ All Stands

MinorRoads

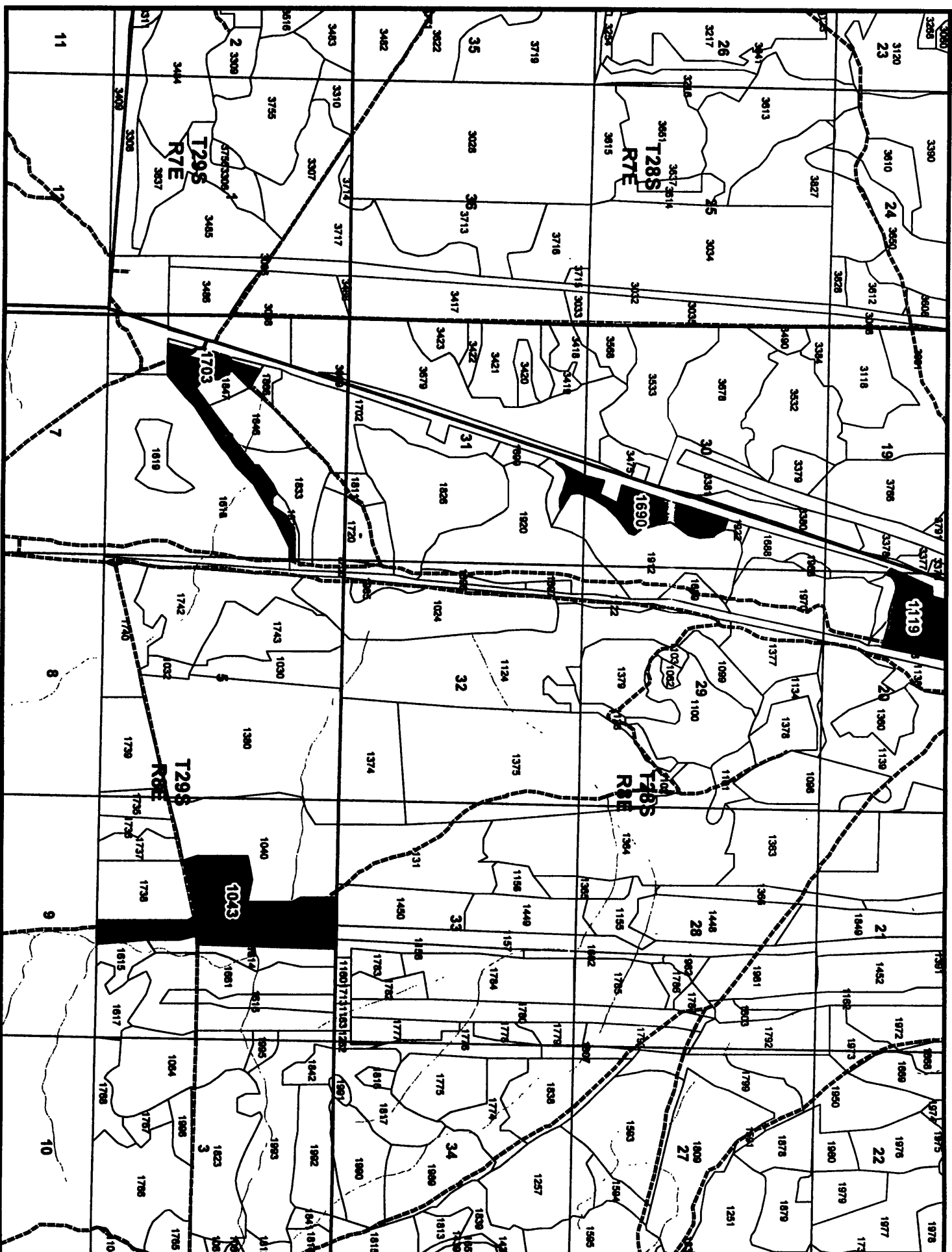
Major Roads

Lakes

Strm_Detail

Scale 1:24,000

Chemult 3.mxd
12/8/2003





Longbell 2004 Plan Settings

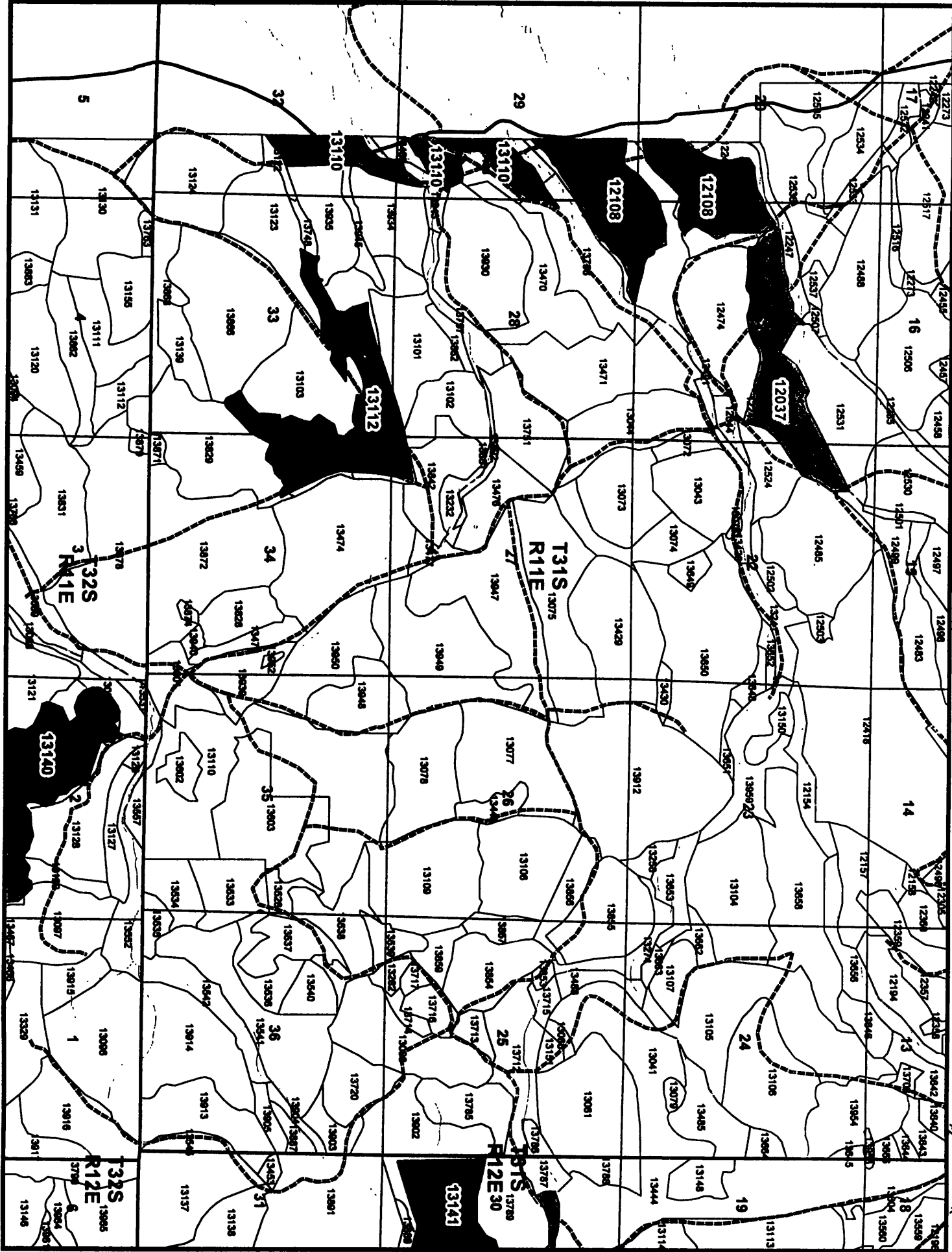
Legend

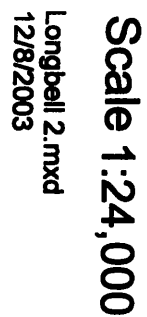
- 2004 Harvest Units
- All Stands
- MinorRoads
- MajorRoads
- Lakes
- Strm_Detail



Scale 1:24,000

Longbell 4.mxd
12/8/2003





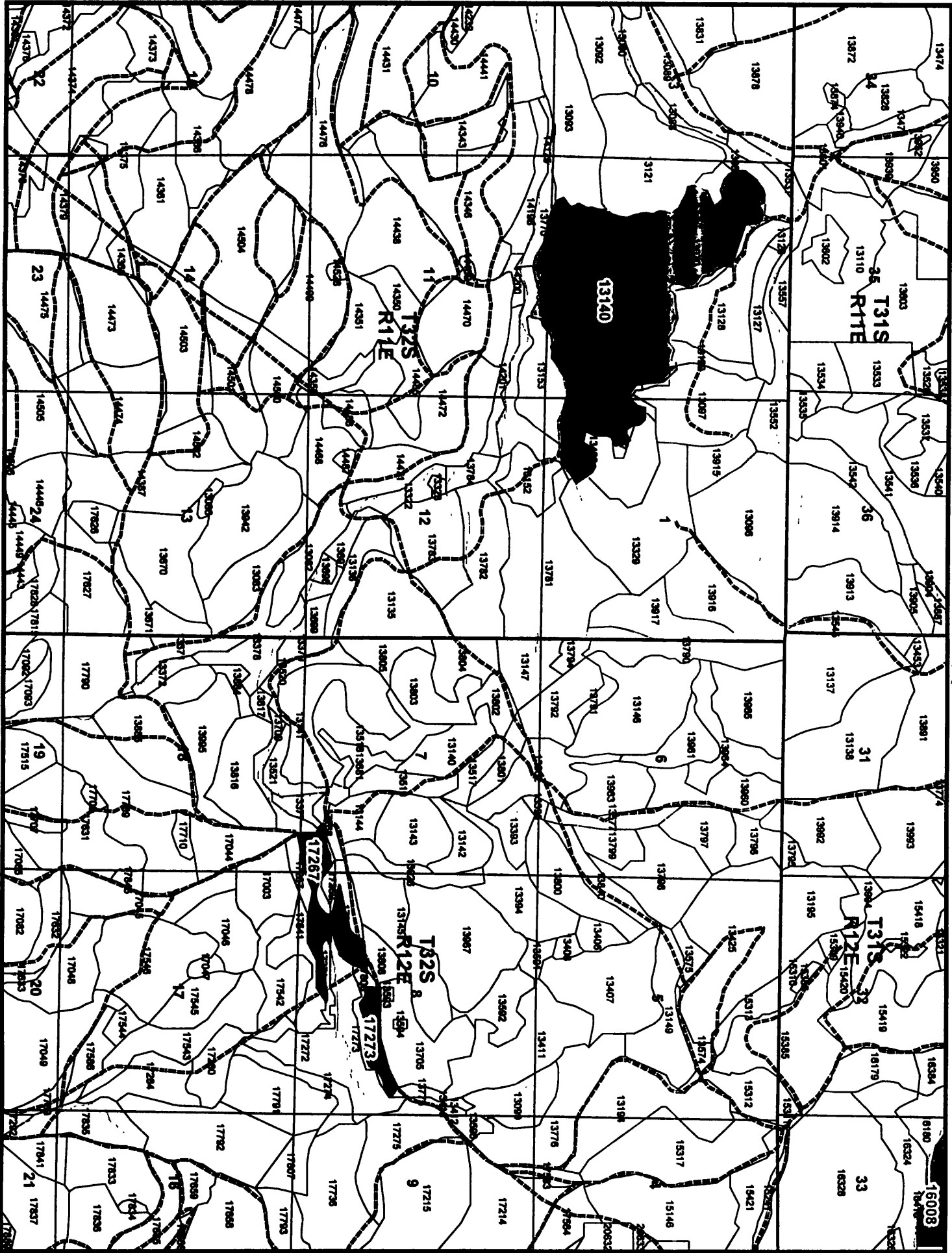
Longbell 2004 Plan Settings

- Legend**
- 2004 Harvest Units
 - All Stands
 - MinorRoads
 - MajorRoads
 - Lakes
 - Strm_Detail



Scale 1:24,000

Longbell 6.mxd
12/8/2003



Mitchell 2004 Plan Settings

Legend

- 2004 Harvest Units
- All Stands
- MinorRoads
- MajorRoads
- Lakes
- Strm_Detail



Scale 1:24,000

Mitchell 1.mxd
12/8/2003

