

AFTER RECORDING, RETURN TO:

Rt. Laurie N. Ragen
DORSEY & WHITNEY LLP
1420 Fifth Avenue, Suite 3400
Seattle, WA 98101

State of Oregon, County of Klamath
Recorded 12/31/03 12:38 P.m.
Vol M03 Pg 94261 - 94263
Linda Smith, County Clerk
Fee \$ 46⁰⁰ # of Pgs 3

SEND TAX STATEMENTS TO:

American Forest Services, LLC
625 Madison Avenue, Suite 10-B
New York, NY 10022

**ASSIGNMENT OF OVERRUN PROCEEDS UNDER
CERTAIN TIMBER DEEDS
(Hamaker Mtn., Prairie Creek, Mud Springs, Cold Creek)**

U.S. TIMBERLANDS KLAMATH FALLS, LLC, a Delaware limited liability company ("Assignor"), for good and valuable consideration in hand paid, receipt of which is hereby acknowledged, conveys and sets over to AMERICAN FOREST SERVICES, LLC ("Assignee") all of Assignor's right, title and interest in and to all payments which become due to Assignor pursuant to Section 2.2 of each of the following Lump Sum Timber Sale Agreements (the "Overrun Proceeds"):

- a. Lump Sum Timber Sale Agreement (with Timber Deed) for Hamaker Mtn. Timber Sale, dated May 4, 2001 by and between Assignor, as Seller, and Boise Cascade Corporation, as Buyer, which Timber Deed is dated May 4, 2001 and recorded in the records of Klamath County, Oregon, on May 31, 2001, at Vol. M01, Page 25021.
- b. Lump Sum Timber Sale Agreement (with Timber Deed) for Prairie Creek Timber Sale, dated October 20, 2000 by and between Assignor, as Seller, and Timber Products Company, as Buyer, which Timber Deed is dated October 20, 2000 and recorded

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in the records of Klamath County, Oregon, on November 3, 2000, at Vol. M00, Page 40186.

c. Lump Sum Timber Sale Agreement (with Timber Deed) for Mud Springs Timber Sale, dated December 19, 2000 by and between Assignor, as Seller, and Timber Products Company, as Buyer, which Timber Deed is dated December 19, 2000 and recorded in the records of Klamath County, Oregon, on December 9, 2000, at Vol. M00, Page 47007.

d. Lump Sum Timber Sale Agreement (with Timber Deed) for Cold Creek Timber Sale, dated December 18, 2000 by and between Assignor, as Seller, and Timber Products Company, as Buyer, which Timber Deed is dated December 18, 2000 and recorded in the records of Klamath County, Oregon, on December 18, 2000, at 46990.

Other than Assignor's right, title and interest in and to all Overrun Proceeds, no other rights or obligations under the foregoing Lump Sum Timber Sale Agreements are assigned to or assumed by Assignee.

Section 2.2 of each of the foregoing Lump Sum Timber Sale Agreements provides as follows:

"2.2 Upon completion: (i) if Buyer has removed more volume of Covered Products than that set forth in Exhibit E hereto, the purchase price shall be adjusted upward based on the actual volume of Covered Products removed by Buyer by species and the rates bid by Buyer as set forth in Exhibit E; and (2) any additional amount owed to [Seller] shall be calculated by [Seller] and paid by Buyer within 30 days after receipt of [the] last scale ticket, using the bid rate per thousand per species as set forth in Exhibit E."

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 effective as of December 12, 2003.

ASSIGNOR:

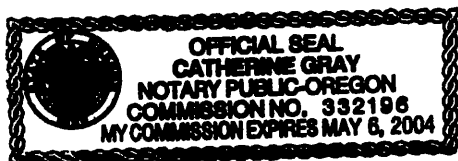
U.S. TIMBERLANDS KLAMATH FALLS,
L.L.C

By: TIMBER RESOURCE SERVICES,
LLC, its Manager

By: Martin Lugus
Martin Lugus, Vice President Timber
Operations

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

This instrument was acknowledged before me on December 30, 2003 by Martin Lugus, as the Vice President, Timber Operations, of TIMBER RESOURCE SERVICES, LLC, the limited liability company acting as Manager of U.S. TIMBERLANDS KLAMATH FALLS, L.L.C.



Catherine Gray
NOTARY PUBLIC FOR Oregon
My commission expires: 5/6/04