

AFTER RECORDING, RETURN TO:

State of Oregon, County of Klamath
Recorded 12/31/03 12:38 P m
Vol M03 Pg 94264 - 94268
Linda Smith, County Clerk
Fee \$ 41.00 # of Pgs 5

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

SEND TAX STATEMENTS TO:

Cathy Gray
U.S. Timberlands Services Yakima, LLC
6400 Highway 66
Klamath Falls, OR 97601

WARRANTY DEED
(Ball Point - Klamath County)

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company ("Grantor"), conveys and warrants to AMERICAN FOREST SERVICES, LLC, a Delaware limited liability company ("Grantee"), certain real property located in Klamath County, Oregon, which is more particularly described on Exhibit A attached hereto and incorporated herein by reference, free of encumbrances except as specifically set forth on Exhibit B attached hereto and incorporated herein by reference.

The true and actual consideration for this transfer is \$1,185,000.00.

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 and effective as of the 12th day of December, 2003.

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

By: TIMBER RESOURCE SERVICES,
LLC, its sole manager

By: *Martin Lugas*
Martin Lugas, Vice President Timber
Operations

STATE OF OREGON)
) ss.
COUNTY OF KLAMATH)

This instrument was acknowledged before me on December 30, 2003 by Martin Lugas, 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 *C. Gray*
My commission expires: *5/6/04*

EXHIBIT A
Legal Description of Property

Ball Point tract
Klamath County, Oregon

TOWNSHIP 36 SOUTH, RANGE 7 EAST, W.M.

SECTION 21: GOVERNMENT LOT 1

**SECTION 27: GOVERNMENT LOTS 1, 2, 3, 4 AND 5; THE SOUTHWEST
QUARTER; THE SOUTHWEST QUARTER OF THE
SOUTHEAST QUARTER**

**SECTION 28: GOVERNMENT LOTS 1 AND 2; THE NORTHEAST
QUARTER; THE EAST HALF OF THE SOUTHEAST
QUARTER; THE NORTHWEST QUARTER OF THE
SOUTHEAST QUARTER**

**EXCEPTING THE FOLLOWING BEGINNING AT THE
NORTHWEST CORNER OF SAID NORTHWEST QUARTER
OF THE SOUTHEAST QUARTER; THENCE SOUTH ALONG
THE WEST LINE OF SAID NORTHWEST QUARTER OF
THE SOUTHEAST QUARTER TO THE SOUTHWEST
CORNER THEREOF; THENCE EAST ALONG THE SOUTH
LINE OF SAID NORTHWEST QUARTER OF THE
SOUTHEAST QUARTER 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
SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER 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; THE NORTHWEST QUARTER OF
THE NORTHEAST QUARTER; THE NORTH HALF OF THE
NORTHWEST QUARTER; THE SOUTHWEST QUARTER
OF THE NORTHEAST QUARTER; THE SOUTHEAST
QUARTER OF THE NORTHWEST QUARTER; THE EAST 60
FEET OF THE EAST HALF OF THE SOUTHWEST
QUARTER; THAT PORTION OF THE SOUTHWEST
QUARTER OF THE NORTHWEST QUARTER, MORE
PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING
AT THE NORTHWEST CORNER OF SAID SOUTHWEST
QUARTER OF THE NORTHWEST QUARTER; THENCE
SOUTHEASTERLY ALONG A STRAIGHT LINE TO THE
SOUTHEAST CORNER OF SAID SOUTHWEST QUARTER
OF THE NORTHWEST QUARTER; THENCE NORTH
ALONG THE EAST LINE OF SAID SOUTHWEST QUARTER
OF THE NORTHWEST QUARTER TO THE NORTHEAST
CORNER THEREOF; THENCE WEST ALONG THE NORTH
LINE OF SAID SOUTHWEST QUARTER OF THE
NORTHWEST QUARTER TO THE POINT OF BEGINNING.**

EXHIBIT B

Permitted Encumbrances

All timber deeds, leases, easements and encumbrances of record, if any.