

04 APR 21 PM 11:17

Vol M04 Page 23660

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS (front and back) CAREFULLY

MTL- 63721

State of Oregon, County of Klamath
Recorded 04/21/2004 11:17 A m
Vol M04 Pg 23660-23708
Linda Smith, County Clerk
Fee \$ 241.00 # of Pgs 49

A. NAME & PHONE OF CONTACT AT FILER [optional]

B. SEND ACKNOWLEDGMENT TO: (Name and Address)

ST. JOHN & WAYNE, L.L.C.
70 EAST 55TH STREET - 19TH FLOOR
NEW YORK, NY 10022
Attention: Peter G. Seiden, Esq.

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

AMERICAN FOREST SERVICES, LLC

OR

1b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

1c. MAILING ADDRESS

625 Madison Ave., Suite 10-B

CITY

New York

STATE

NY

POSTAL CODE

10022

COUNTRY

USA

1d.

ADD'L INFO RE
ORGANIZATION
DEBTOR

1e. TYPE OF ORGANIZATION

ltd liab. co.

1f. JURISDICTION OF ORGANIZATION

Delaware

1g. ORGANIZATIONAL ID #, if any

DE 3419150

☐ 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

OR

2b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

2c. MAILING ADDRESS

CITY

STATE

POSTAL CODE

COUNTRY

2d.

ADD'L INFO RE
ORGANIZATION
DEBTOR

2e. TYPE OF ORGANIZATION

2f. JURISDICTION OF ORGANIZATION

2g. ORGANIZATIONAL ID #, if any

☐ NONE

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

3a. ORGANIZATION'S NAME

BANK OF AMERICA, N.A.

OR

3b. INDIVIDUAL'S LAST NAME

FIRST NAME

MIDDLE NAME

SUFFIX

3c. MAILING ADDRESS

101 South Tryon St., 6th Fl., NC1-002-06-31

CITY

Charlotte

STATE

NC

POSTAL CODE

28255

COUNTRY

USA

4. This FINANCING STATEMENT covers the following collateral:

Please see EXHIBIT 1 attached hereto for a description of the collateral covered by this Financing Statement.

5. ALTERNATIVE DESIGNATION (if applicable):

☐ LESSOR/LESSOR

☐ CONSIGNEE/CONSIGNOR

☐ BAILEE/BAILO

☐ SELLER/BUYER

☐ AS LIEN

☐ NON-UCC FILING

6. ☒ This FINANCING STATEMENT is to be filed (for record) (or recorded) in the REAL ESTATE RECORDS.
Attach Addendum (if applicable)

7. See instruction Debtor(s)

8. OPTIONAL FILER REFERENCE DATA

Klamath County, Oregon

49 pgs

Please type or laser-print this form. Be sure it is completely legible. Read all instructions, especially Instruction 1; correct Debtor name is crucial. Follow instructions completely. Fill in form very carefully; mistakes may have important legal consequences. If you have questions, consult your attorney. Filing office cannot give legal advice.

Do not insert anything in the open space in the upper portion of this form; it is reserved for filing office use.

When properly completed, send Filing Office Copy, with required \$10.00 fee. Rejected filings are subject to the non-refundable processing fee.

If you need to use attachments, you are encouraged to use either Addendum (Form UCC1 Ad) or Additional Party (Form UCC1AP).

A. To assist filing offices that might wish to communicate with filer, filer may provide information in Item A. This item is optional.

B. Complete Item B if you want an acknowledgment sent to you. If filing in a filing office that returns an acknowledgment copy furnished by filer, present simultaneously with this form a carbon or other copy of this form for use as an acknowledgment copy.

1. Debtor name: Enter only one Debtor name in Item 1, an organization's name (1a) or an individual's name (1b). Enter Debtor's exact full legal name. Don't abbreviate.
 - 1a. Organization Debtor. "Organization" means an entity having a legal identity separate from its owner. A partnership is an organization; a sole proprietorship is not an organization, even if it does business under a trade name. If Debtor is a partnership, enter exact full legal name of partnership; you need not enter names of partners as additional Debtors. If Debtor is a registered organization (e.g., corporation, limited partnership, limited liability company), it is advisable to examine Debtor's current filed charter documents to determine Debtor's correct name, organization type, and jurisdiction of organization.
 - 1b. Individual Debtor. "Individual" means a natural person; this includes a sole proprietorship, whether or not operating under a trade name. Don't use prefixes (Mr., Mrs., Ms.). Use suffix box only for titles of lineage (Jr., Sr., III) and not for other suffixes or titles (e.g., M.D.). Use married woman's personal name (Mary Smith, not Mrs. John Smith). Enter individual Debtor's family name (surname) in Last Name box, first given name in First Name box, and all additional given names in Middle Name box.
For both organization and individual Debtors: Don't use Debtor's trade name, DBA, AKA, FKA, Division name, etc. in place of or combined with Debtor's legal name; you may add such other names as additional Debtors if you wish (but this is neither required nor recommended).
 - 1c. An address is always required for the Debtor named in 1 a or 1b.
 - 1e,f,g. Additional information reorganization Debtor is always required. Type of organization and jurisdiction of organization as well as Debtor's exact legal name can be determined from Debtor's current filed charter document. Organizational ID #, if any, is assigned by the agency where the charter document was filed; this is different from tax ID #; this should be entered preceded by the 2-character U.S. Postal identification of state of organization if one of the United States (e.g., CA12345, for a California corporation whose organizational ID # is 12345); if agency does not assign organizational ID #, check box in Item 1g indicating "none."
2. If an additional Debtor is included, complete Item 2, determined and formatted per Instruction 1. To include further additional Debtors, attach either Addendum (Form UCC1 Ad) or other Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names.
3. Enter information for Secured Party or Total Assignee, determined and formatted per Instruction 1. To include further additional Secured Parties, attach either Addendum (Form UCC1 Ad) or other Additional Party (Form UCC1AP) and follow Instruction 1 for determining and formatting additional names. If there has been a total assignment of the Secured Party's interest prior to filing this form, you may either (1) enter Assignor S/P's name and address in Item 3 and file an Amendment (Form UCC3) [see Item 6 of that form]; or (2) enter Total Assignee's name and address in Item 3 and, if you wish, also attaching Addendum (Form UCC1Ad) giving Assignor S/P's name and address in Item 12.
4. Use Item 4 to indicate the collateral covered by this Financing Statement. If space in Item 4 is insufficient, put the entire collateral description or continuation of the collateral description on either Addendum (Form UCC1 Ad) another attached additional page(s).
5. If filer desires (at filer's option) to use titles of lessee and lessor, or consignee and consignor, or seller and buyer (in the case of accounts or chattel paper), or bailee and bailor instead of Debtor and Secured Party, check the appropriate box in Item 5. If this is an agricultural lien (as defined in applicable Commercial Code) filing or is otherwise not a UCC security interest filing (e.g., a tax lien, judgment lien, etc.), check the appropriate box in Item 5, complete Items 1-7 as applicable and attach any other items required under other law.
6. If this Financing Statement is filed as a fixture filing or if the collateral consists of timber to be cut or as-extracted collateral, complete Items 1-5, check the box in Item 6, and complete the required information (Items 13,14 and/or 15) on Addendum (Form UCC1Ad).
7. Search request option on this form is not available in Oregon.
8. This item is optional and is for filer's use only. For filer's convenience of reference, filer may enter in Item 8 any identifying information (e.g., Secured Party's loan number, law firm file number, Debtor's name or other identification, state in which form is being filed, etc.) that filer may find useful.

Note: If Debtor is a trust or a trustee acting with respect to property held in trust, enter Debtor's name in Item 1 and attach Addendum (Form UCC1Ad) and check appropriate box in Item 17. If Debtor is a decedent's estate, enter name of deceased individual in Item 1b and attach Addendum (Form UCC1Ad) and check appropriate box in Item 17. If Debtor is a transmitting utility or this Financing Statement is filed in connection with a Manufactured-Home Transaction or a Public-Finance Transaction as defined in applicable Commercial Code, attach Addendum (Form UCC1 Ad) and check appropriate box in Item 18.

23662

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

AMERICAN FOREST SERVICES, 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.

ADDL INFO RE
ORGANIZATION
DEBTOR

11e. TYPE OF ORGANIZATION

11f. JURISDICTION OF ORGANIZATION

11g. ORGANIZATIONAL ID#, if any

☐ NONE**12. ☐ ADDITIONAL SECURED PARTY'S or ☐ ASSIGNOR S/P'S NAME - Insert only one name (12a or 12b)**

12a. ORGANIZATION'S NAME

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:

Please see EXHIBIT 2 attached hereto for a description of the real estate. Also, see Timber Deeds described in item 16 of this Addendum.

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

16. Additional collateral description:

All of (i) the timber defined as "Conveyed Timber" in that certain timber deed, a copy of which is contained in Exhibit II attached hereto and made a part hereof, such timber being located on certain land in Klamath County, Oregon and more specifically within the areas depicted on certain maps, all set forth in Exhibit II and (ii) the timber located on certain land in Klamath County, Oregon and more specifically within the areas depicted on certain maps, all set forth in Exhibit IV attached hereto and made a part hereof.

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

Instructions for National UCC Financing Statement Addendum (Form UCC1Ad)

9. Insert name of first Debtor shown on Financing Statement to which this Addendum is related, exactly as shown in Item 1 of Financing Statement.
10. Miscellaneous: Under certain circumstances, additional information not provided on Financing Statement may be required. Also, some states have non-uniform requirements. Use this space to provide such additional information or to comply with such requirements; otherwise, leave blank.
11. If this Addendum adds an additional Debtor, complete Item 11 in accordance with Instruction 1 on Financing Statement. To include further additional Debtor, attach either an additional Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 of Financing Statement for determining and formatting additional names.
12. If this Addendum adds an additional Secured Party, complete Item 12 in accordance with Instruction 3 on Financing Statement. To include further additional Secured Parties, attach either an additional Addendum (Form UCC1Ad) or Additional Party (Form UCC1AP) and follow Instruction 1 of Financing Statement for determining and formatting additional names. In the case of a total assignment of the Secured Party's interest before the filing of this Financing Statement, if filer has given the name and address of the Total Assignee in Item 3 of the Financing Statement, filer may give the Assignor S/P's name and address in Item 12.
- 13-15. If collateral is timber to be cut or as-extracted collateral, or if this Financing Statement is filed as a fixture filing, check appropriate box in Item 13; provide description of real estate in Item 14; and, if Debtor is not a record owner of the described real estate, also provide, in Item 15, the name and address of a record owner. Also provide collateral description in Item 4 of Financing Statement. Also check box 6 on Financing Statement. Description of real estate must be sufficient under the applicable law of the jurisdiction where the real estate is located.
16. Use this space to provide continued description of collateral, if you cannot complete description in Item 4 of Financing Statement.
17. If Debtor is a trust or a trustee acting with respect to property held in trust or is a decedent's estate, check the appropriate box.
18. If Debtor is a transmitting utility or if the Financing Statement relates to a Manufactured-Home Transaction or a Public-Finance Transaction as defined in the applicable Commercial Code, check the appropriate box.

EXHIBIT 1
to
UCC FINANCING STATEMENT
of
AMERICAN FOREST SERVICES, LLC ("Debtor")
in favor of
BANK OF AMERICA, N.A. ("Secured Party")

Debtor has pledged to Secured Party and granted to Secured Party a security interest in all of the Debtor's right, title and interest in and to the following, in accordance with that certain Amended and Restated Deed of Trust, Security Agreement and Fixture Filing and Assignment of Rents and Agreements, dated as of March 31, 2004, given by the Debtor, as the Trustor, to Chicago Title Insurance Company, as the Trustee, and the Secured Party, as the Beneficiary (as same may hereinafter be further amended, restated, renewed, extended, replaced, supplemented and/or consolidated from time to time, the "Deed of Trust"):

- A. All of Debtor's present and future estate, right, title and interest in and to the following:
1. All of the Timber (as defined below)(hereinafter, the "Timber") located on that certain real property, known as the "Ball Point Tract," located in Klamath County, State of Oregon, as more particularly described in Exhibit 2 to this financing statement (the "Land"), including all hereditaments, appurtenances, easements and rights thereto or used in connection therewith or as a means of access thereto, together with all right, title and interest that Debtor now has or may hereafter acquire in the timber (the "Ball Point Timber") and any proceeds thereof;
 2. All of (i) the timber defined as "Conveyed Timber" in that certain timber deed, a copy of which is contained in Exhibit II attached hereto and made a part hereof, such timber being located on certain land in Klamath County, Oregon and more specifically within the areas depicted on certain maps, all set forth in Exhibit II (the "Klamath County Timber"); (ii) the timber located on certain land in Klamath County, Oregon and more specifically within the areas depicted on certain maps, all set forth in Exhibit IV attached hereto and made a part hereof (the "Klamath County Turn Back Units"). (The "Ball Point Timber," the "Klamath County Timber" and the "Klamath County Turn Back Units" are collectively referred to herein as the "Timber.")
 3. All income, rents, royalties, revenues, issues, profits and proceeds from any and all of such Timber.
 4. All proceeds and claims arising on account of any damage to or taking of such Timber, and all causes of action and recoveries for any loss or diminution in the value of such Timber, including the proceeds of any policy of insurance covering the Timber or the proceeds of any condemnation action or transfer in lieu of condemnation.
 5. All of the "Overrun Proceeds" Debtor is entitled to receive under the Assignment of Overrun Proceeds under Certain Timber Deeds (Hamaker Mtn., Prairie Creek, Mud Springs, Cold Creek) dated as of December 12, 2003, a copy of which is set

forth in Exhibit V attached hereto and made a part hereof.

6. All of the buildings and other improvements now or hereafter located on the Land, if any (collectively, the "Improvements"), including all plans and specifications prepared for construction of the Improvements and all contracts and agreements of the Debtor relating to the plans and specifications or the construction of the Improvements, and all right, title and interest, if any, of the Debtor in and to the streets and roads abutting the Land to the center lines thereof, and strips and gores within or adjoining the Land, development rights, the air space and right to use said air space above the Land, all rights of ingress and egress by motor vehicles to parking facilities on or within the Land, all easements now or hereafter affecting the Land, all royalties and all rights appertaining to the use and enjoyment of the Land, including, without limitation, alley, drainage, crop, timber, agricultural, horticultural, mineral, water, oil and gas rights and reservations of the Land.
7. All of the accounts and accounts receivable, fixtures and articles of personal property and all appurtenances and additions thereto and substitutions or replacements thereof, now or hereafter attached to, contained in, or used in connection with the Land and/or the Improvements or placed on any part thereof though not attached thereto, including, but not limited to, all screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, lighting, plumbing, ventilation, air conditioning, refrigeration, refrigerators, incinerator and/or compacting and elevator plants, stoves, ranges, vacuum cleaning systems, call and intercom systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, appliances, equipment, fittings and fixtures, and the trade name, good will and books and records relating to the business operated on the Land and/or the Improvements.
8. All of the leases, subleases, contracts to lease, lettings, licenses and other agreements relating to the use or occupancy of all or any part of the Land, the Improvements and/or any other property or rights encumbered or conveyed by the Deed of Trust, or any part thereof, now or hereafter entered into by the Debtor as landlord or sublandlord and all right, title and interest of the Debtor thereunder, including, without limitation, all extensions, renewals, amendments and modifications thereof, and any options, rights of first refusal, guarantees, privileges and interests relating thereto, and all rents, income, receipts, revenues, escrow accounts, reserves, cash and securities deposited thereunder, the right to receive and collect the rents, issues and profits payable thereunder and the right to enforce, whether by action at law or in equity or by other means, all provisions, covenants and agreements thereof (it being intended by the Debtor and the Secured Party that the assignment contained in this paragraph constitutes an unconditional, absolute assignment, as part of the consideration for the indebtedness under the Note (as defined in the Deed of Trust), and not an assignment for additional security); provided, however, that Debtor shall have a license to collect and retain all amounts due thereunder and to perform the same unless and until the occurrence of an Event of Default (as defined in the Deed of Trust).
9. All unearned premiums, accrued, accruing or to accrue under insurance policies

now or hereafter obtained by the Debtor with respect to the Land and all proceeds of the conversion, voluntary or involuntary, of the Land, the Improvements and/or any other property or rights encumbered or conveyed by the Deed of Trust, or any part thereof, into cash or liquidated claims, including, without limitation, proceeds of hazard and title insurance and all awards and compensation heretofore and hereafter made to the present and all subsequent owners of the Land, the Improvements and/or any other property or rights encumbered or conveyed by the Deed of Trust by any governmental or other lawful authority for the taking by eminent domain, condemnation or otherwise, of all or any part of the Land; the Improvements and/or any other property or rights encumbered or conveyed by the Deed of Trust or any easement therein, including, but not limited to, awards for any change of grade of streets.

10. All extensions, improvements, betterments, renewals, substitutions and replacements of and all additions and appurtenances to the Land, the Improvements and/or any other property or rights encumbered or conveyed by the Deed of Trust, hereafter acquired by or released to the Debtor (but excluding therefrom any of the Land which shall have at any time been covered by the lien hereof and the security interest granted hereunder and shall thereafter have been released therefrom by the Secured Party pursuant to a written instrument executed by the Secured Party) or constructed, assembled or placed by the Debtor on the Land, the Improvements, and/or any other property or rights encumbered or conveyed by the Deed of Trust, and all conversions of the security constituted thereby which, immediately upon such acquisition, release, construction, assembling, placement or conversion, as the case may be, and in each such case without any further mortgage, conveyance, assignment or other act by the Debtor, shall become subject to the lien of the Deed of Trust as fully and completely, and with the same effect, as though now owned by the Debtor and specifically described herein.
11. All the estate, right, title, interest, property, possession, claim and demand whatsoever of the Debtor, as well in law as in equity, of, in and to the same and every part and parcel thereof with the appurtenances.
12. All permits, licenses, entitlements, authorizations, exemptions, certifications, franchises, timber harvesting plan reviews and approvals, environmental approvals (including an environmental impact statement or report if required under applicable law for Debtor's acquisition or disposition of the Timber) whether now existing or hereafter issued to or obtained by or on behalf of Debtor that relate to or concern in any way the Timber, and that are given or issued by any governmental agency or quasi-governmental authority as the same may be modified, amended or supplemented from time to time.
13. All substitutions, accessions, additions and replacements to the Timber (including logs and lumber) and to any of the foregoing; all proceeds of any of the foregoing property, including, without limitation, proceeds of any voluntary or involuntary disposition, diminution in value or claim respecting any such property (pursuant to judgment, condemnation award or otherwise) and all goods, documents, general intangibles, chattel paper and accounts, wherever located, acquired with cash proceeds of any of the foregoing or proceeds thereof.

14. All agreements, contracts, arrangements or other contractual obligations, whether now existing or hereafter entered into, whereby Debtor or its predecessors in interest have granted, grant or will grant to third persons the right to cut, harvest, or otherwise remove Timber from the Land (to the extent Debtor has an interest in such rights) and all timber sales agreements, log sales agreements, purchase orders, purchase and sale agreements and other contractual obligations, whether now existing or hereafter entered into, whereby Debtor, as seller, is or may become obligated to cut, harvest or otherwise remove Timber harvested from the Land or to otherwise obtain Timber from the Land and to sell, exchange or deliver such Timber to third persons and all agreements, contracts or other contractual obligations, whether now existing or hereafter entered into, whereby third persons have granted or will grant to Debtor the right to cut, harvest or otherwise remove Timber from the Land.

For purposes hereof, "Timber" does not include bare land, non-forest, non-stocked, non-productive, reproduction, non-merchantable, riparian management area (RMA), watershed, not cruised, non-commercial, sale area (to be clear cut), or any other non-merchantable timber.

Except to the extent expressly prohibited under applicable law, this financing statement, together with the Deed of Trust, shall be deemed to be a "security agreement" (as defined in the Code) and the Secured Party shall have, in addition to all rights and remedies provided in the Deed of Trust, and in any other Loan Documents (as defined in the Deed of Trust), agreements, commitments and undertakings made by the Debtor to the Secured Party, all of the rights and remedies of a "Secured Party" under the Code, and the Deed of Trust shall also constitute a financing statement as provided for in the Code.

EXHIBIT 2
to
UCC FINANCING STATEMENT
of
AMERICAN FOREST SERVICES, LLC ("Debtor")
in favor of
BANK OF AMERICA, N.A. ("Secured Party")

Land located in Klamath County, Oregon, described as follows:

Ball Point Tract

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.

'03 DEC 31 PM 12:37

EXHIBIT II

 M04 09374
 Vol M03 Page 94234

 Re-recorded 2/12/04
 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

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

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

This Timber Deed is being re-recorded to
 correct the legal description (Exhibit A)
 and to clarify the maps (Exhibit B).

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

23671

94235

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

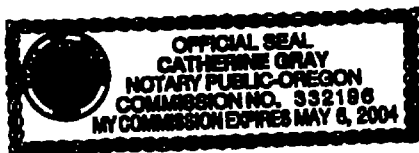

Tom Ludlow, Vice President/CFO

23672

94236

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)

23673

Klamath County 2004 Timber Sale

94237

Exhibit A

Setting: 3003 Acres: 84 Estimated MBF: 751

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

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

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

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 $\frac{1}{4}$	"	"

23674

94238

Klamath County 2004 Timber Sale

		Exhibit A	
NE $\frac{1}{4}$ SW $\frac{1}{4}$		"	"
SE $\frac{1}{4}$ SW $\frac{1}{4}$		"	"
<u>Setting: 3685</u>	<u>Acres: 45</u>	<u>Estimated MBF: 235</u>	
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 $\frac{1}{4}$		"	"
<u>Setting: 3684</u>	<u>Acres: 46</u>	<u>Estimated MBF: 324</u>	
SW $\frac{1}{4}$ NE $\frac{1}{4}$		Section 18	T28S, R8E
SE $\frac{1}{4}$ NE $\frac{1}{4}$		"	"
<u>Setting: 3686</u>	<u>Acres: 39</u>	<u>Estimated MBF: 214</u>	
SW $\frac{1}{4}$ SE $\frac{1}{4}$		Section 18	T28S, R8E
SE $\frac{1}{4}$ SE $\frac{1}{4}$		"	"
<u>Setting: 1119</u>	<u>Acres: 50</u>	<u>Estimated MBF: 169</u>	
NE $\frac{1}{4}$ SE $\frac{1}{4}$		Section 19	T28S, R8E
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 $\frac{1}{4}$		"	"
<u>Setting: 1690</u>	<u>Acres: 45</u>	<u>Estimated MBF: 250</u>	
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 $\frac{1}{4}$		"	"
<u>Setting: 1690 (cont'd)</u>			
NW $\frac{1}{4}$ NE $\frac{1}{4}$		Section 31	T28S, R8E
<u>Setting: 1703</u>	<u>Acres: 49</u>	<u>Estimated MBF: 577</u>	

23675

94239

Klamath County 2004 Timber Sale

Exhibit A

Lot 1	Section 6	T29 S, 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

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: 41111 Acres: 74 Estimated MBF: 373

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

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 $\frac{1}{4}$	"	"

23676

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

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

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

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

NW $\frac{1}{2}$ SW $\frac{1}{2}$	Section 21	T31S, R11E
NE $\frac{1}{2}$ SW $\frac{1}{2}$	"	"
SW $\frac{1}{2}$ NE $\frac{1}{2}$	"	"
SE $\frac{1}{2}$ NE $\frac{1}{2}$	"	"
NE $\frac{1}{2}$ SE $\frac{1}{2}$	"	"
NW $\frac{1}{2}$ SE $\frac{1}{2}$	"	"

23677
94241

Klamath County 2004 Timber Sale

Exhibit A

NW $\frac{1}{4}$ SW $\frac{1}{4}$	Section 22	T31S, R11E
SW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"
NW $\frac{1}{4}$ NW $\frac{1}{4}$	"	"

Setting: 12108 Acres: 188 Estimated MBF: 521

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

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

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

23678

94242

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

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

SE $\frac{1}{4}$ SE $\frac{1}{4}$	Section 12	T31S, R11E
-----------------------------------	------------	------------

23679
94243

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

Lots 1 and 2	Section 6	T38S, R6E
S $\frac{1}{2}$ NE $\frac{1}{2}$	"	"
Lots 6 and 7	"	"
E $\frac{1}{2}$ SW $\frac{1}{2}$	"	"
SE $\frac{1}{2}$	"	"

Setting: 80101 Acres: 71 Estimated MBF: 213

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

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

NW $\frac{1}{2}$ NW $\frac{1}{2}$	Section 15	T38S, R6E
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

NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 23	T38S, R6E
-----------------------------------	------------	-----------

23680

94244

Klamath County 2004 Timber Sale

Exhibit A

SW¼NE¼

"

"

Setting: 80105 Acres: 64 Estimated MBF: 480

SE¼

Section 28

T38S, R6E

NW¼NE¼

Section 33

T38S, R6E

Setting: 80107 Acres: 208 Estimated MBF: 312

NW¼

Section 32

T38S, R6E

NE¼

"

"

SE¼

"

"

Setting: 80158 Acres: 319 Estimated MBF: 638

NW¼

Section 20

T38S, R6E

NE¼

"

"

SE¼

"

"

Setting: 71191 Acres: 293 Estimated MBF: 375

Lots 1 through 16

Section 8

T39S, R6E

23681

94245

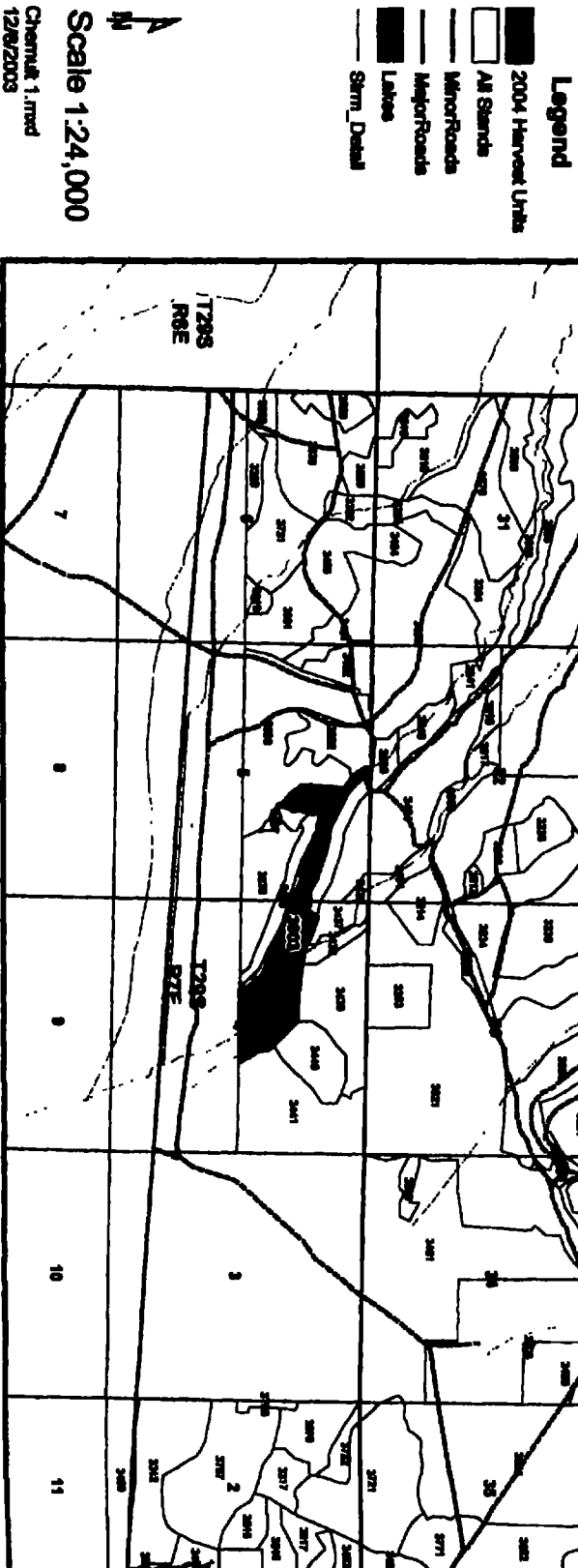
EXHIBIT B

(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 solid or striped polygons and setting or plan numbers.

Chemult 2004 Plan Settings



94217

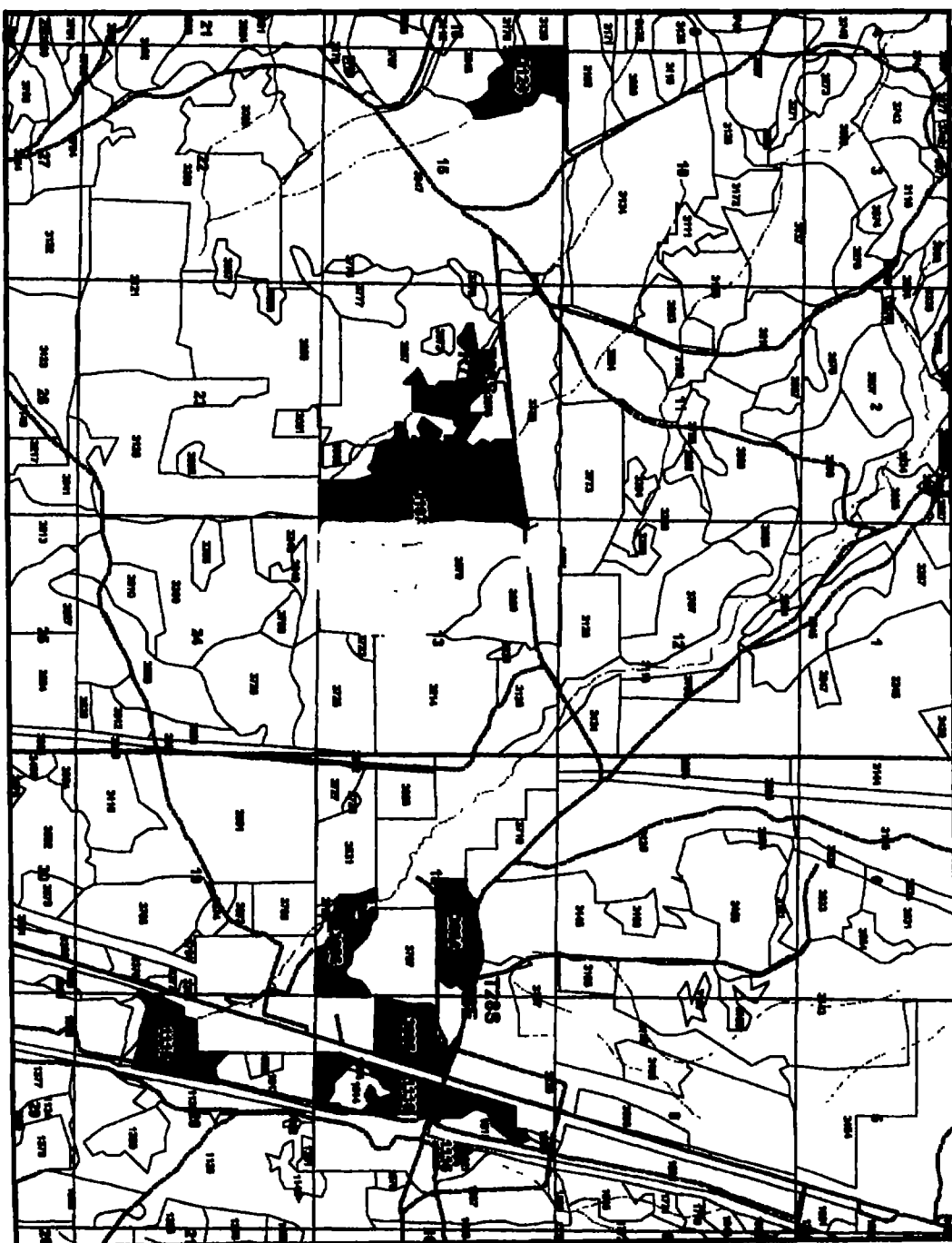
Chemult 2004 Plan Settings

- Legend**
- 2004 Harvest Units
 - All Stands
 - Minor Roads
 - Major Roads
 - Lakes
 - Strm_Detail



Scale 1:24,000

Chemult 2.mxd
12/6/2003



23684

94248

Chemult 2004 Plan Settings

- Legend**
- 2004 Harvest Units
 - All Stands
 - Minor Roads
 - Major Roads
 - Lakes
 - Sgm_Detail



Scale 1:24,000

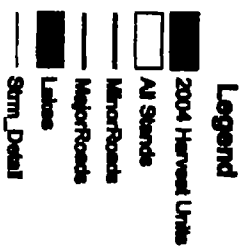
Chemult 3.mxd
12/8/2003



23685

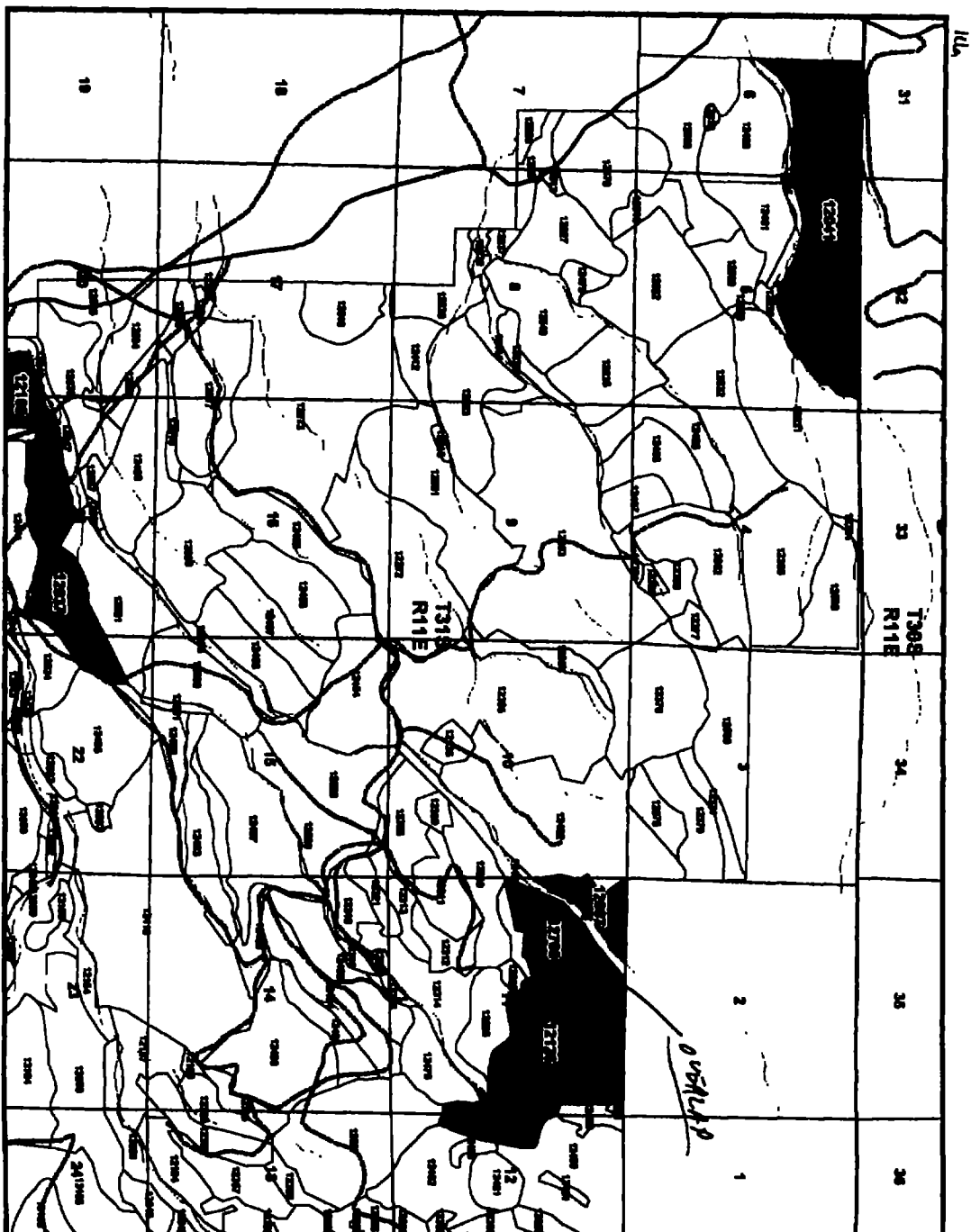
94249

Longbell 2004 Plan Settings



Scale 1:24,000

Longbell 1.mxd
12/6/2003



23686

94250

Longbell 2004 Plan Settings

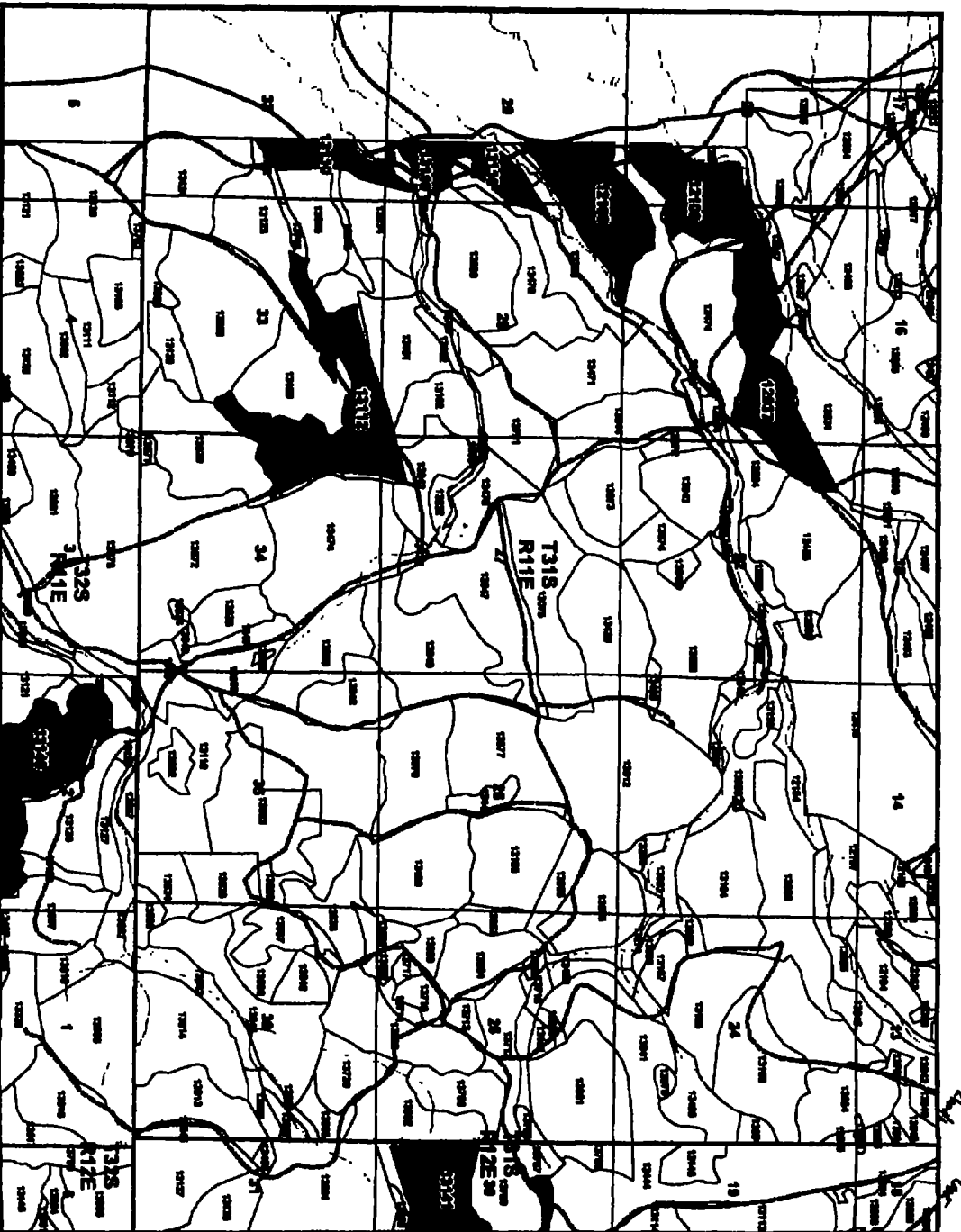
Legend

- 2004 Harvest Units
- All Stands
- Minor Roads
- Major Roads
- Lakes
- Stem Detail



Scale 1:24,000

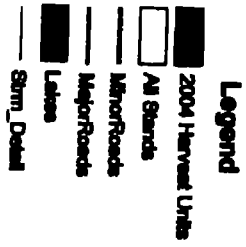
Longbell 4.mxd
12/6/2003



94251

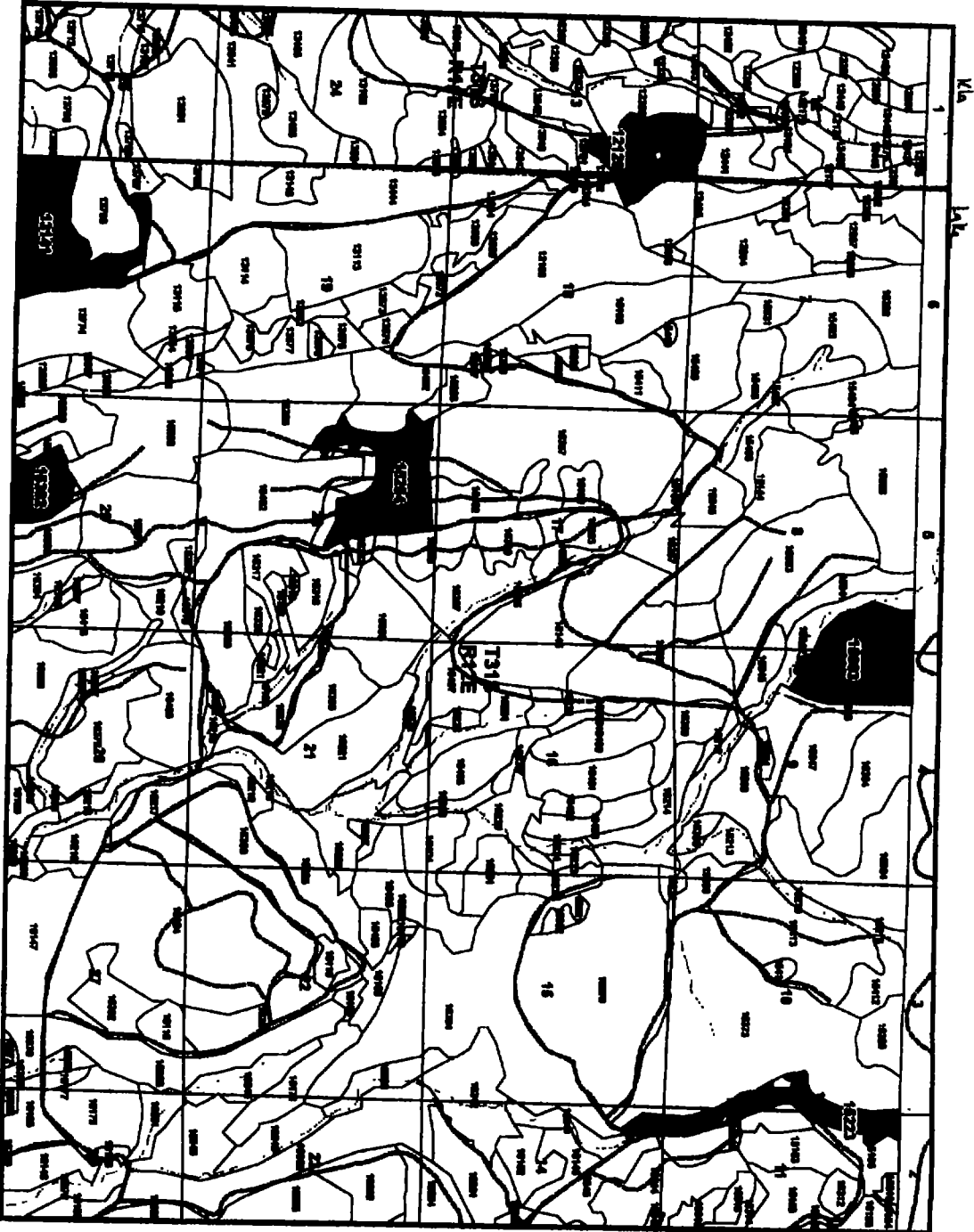
23687

Longbell 2004 Plan Settings



Scale 1:24,000

Longbell 2.mxd
12/6/2005



23688

94252

Longbell 2004 Plan Settings

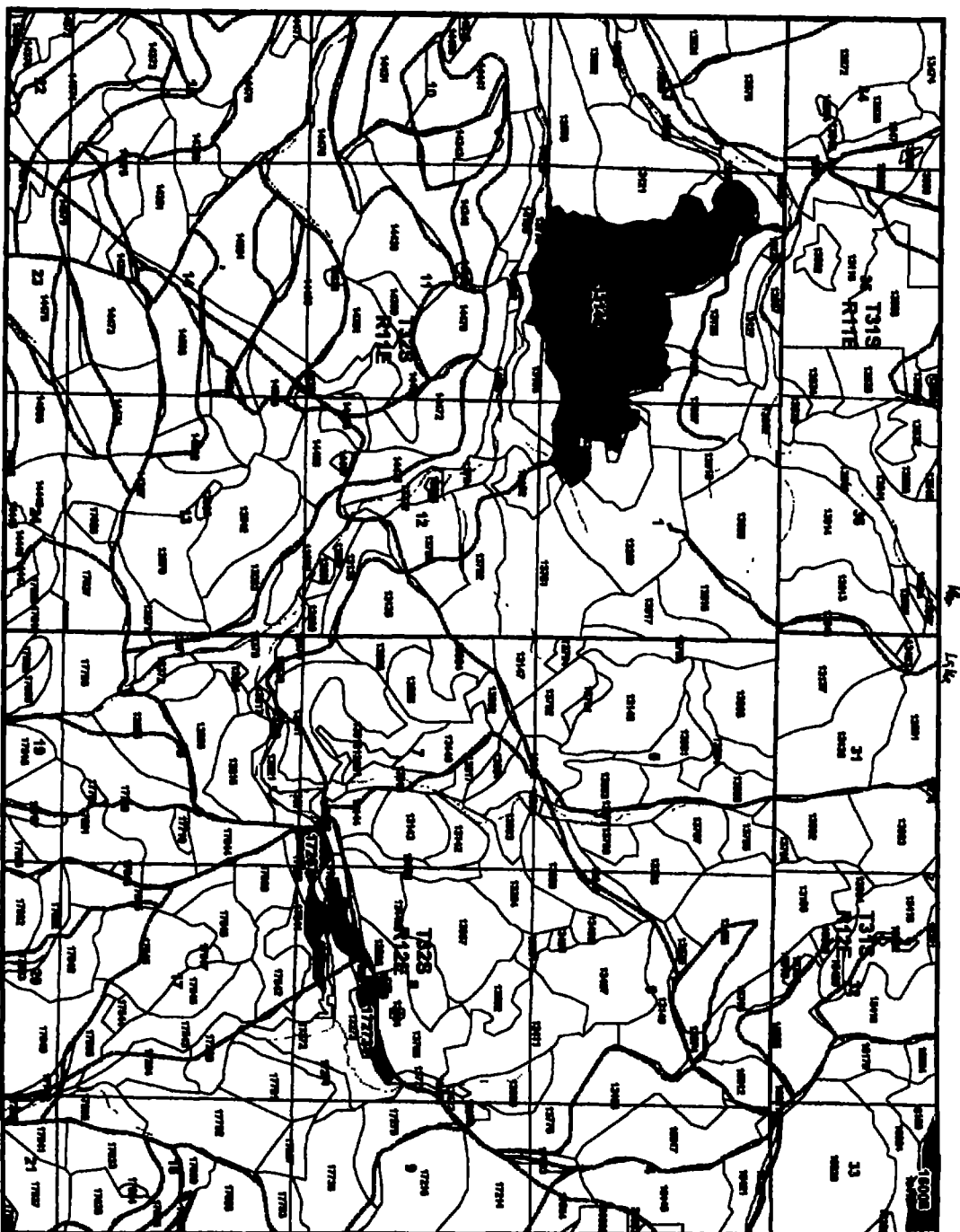
Legend

- 2004 Harvest Units
- All Sands
- Minor Roads
- Major Roads
- Lakes
- Stm_Detail



Scale 1:24,000

Longbell & Arnold
12/6/2003



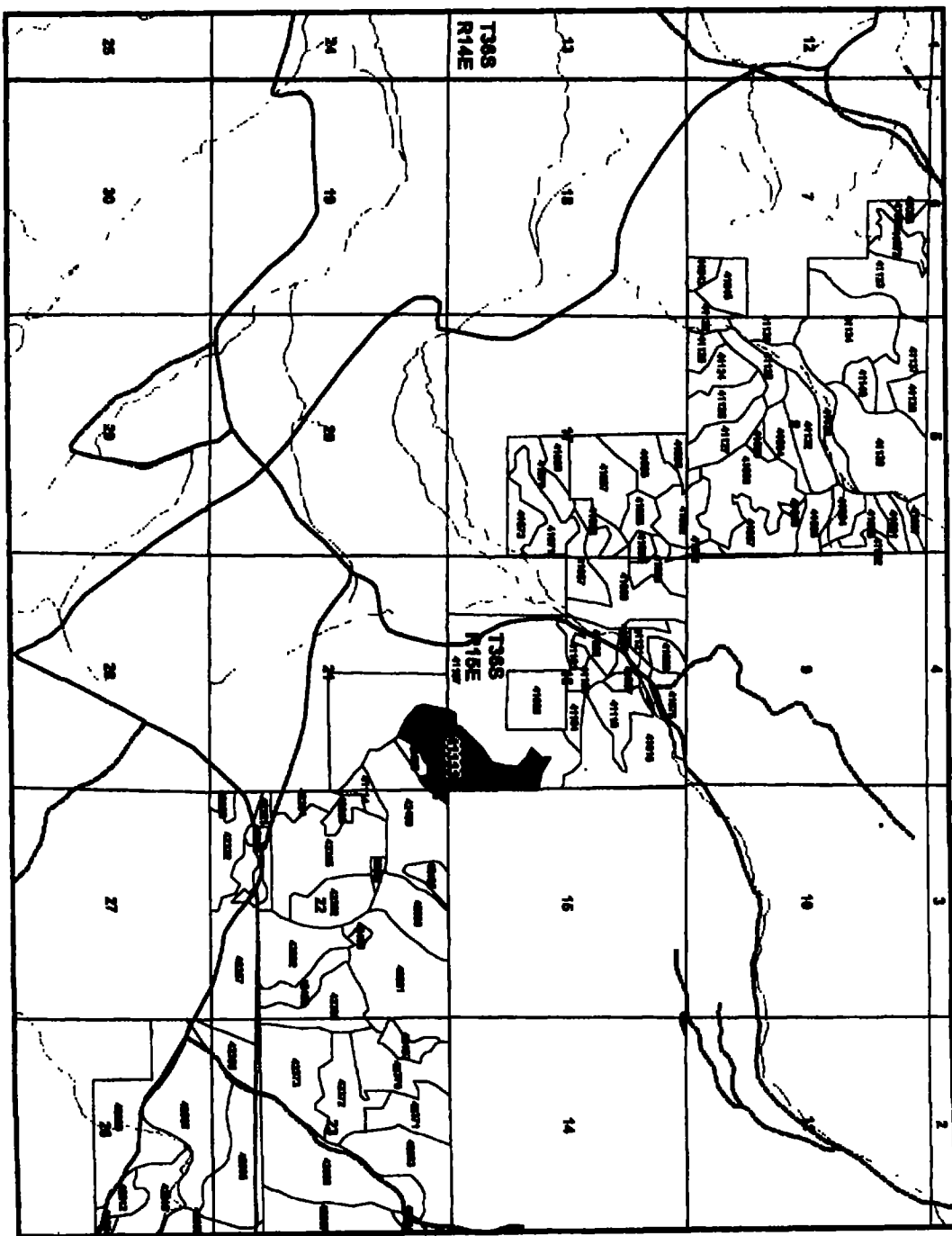
Mitchell 2004 Plan Settings

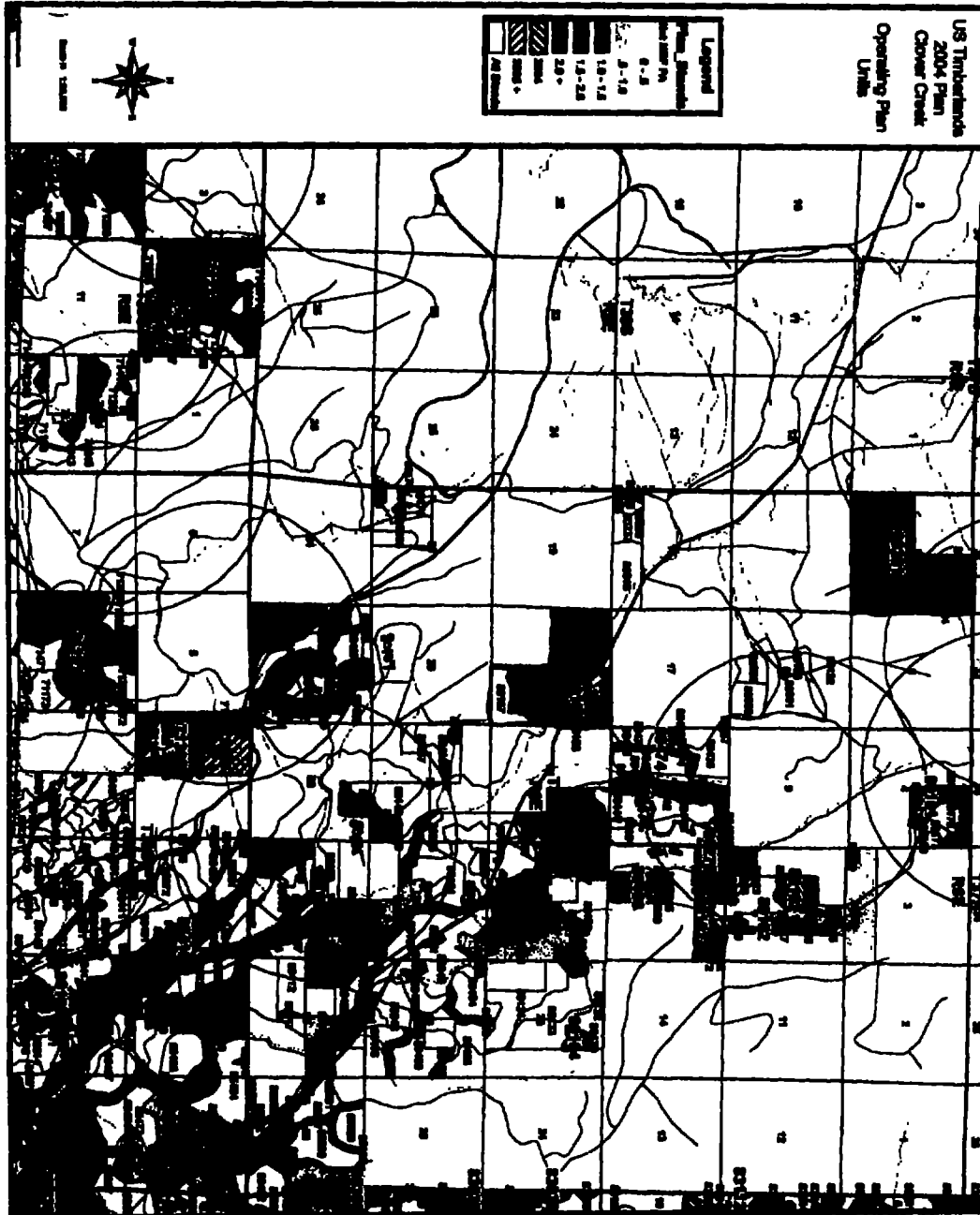
- Legend**
- 2004 Harvest Units
 - All Stands
 - Minor Roads
 - Major Roads
 - Lakes
 - Strm_Detail



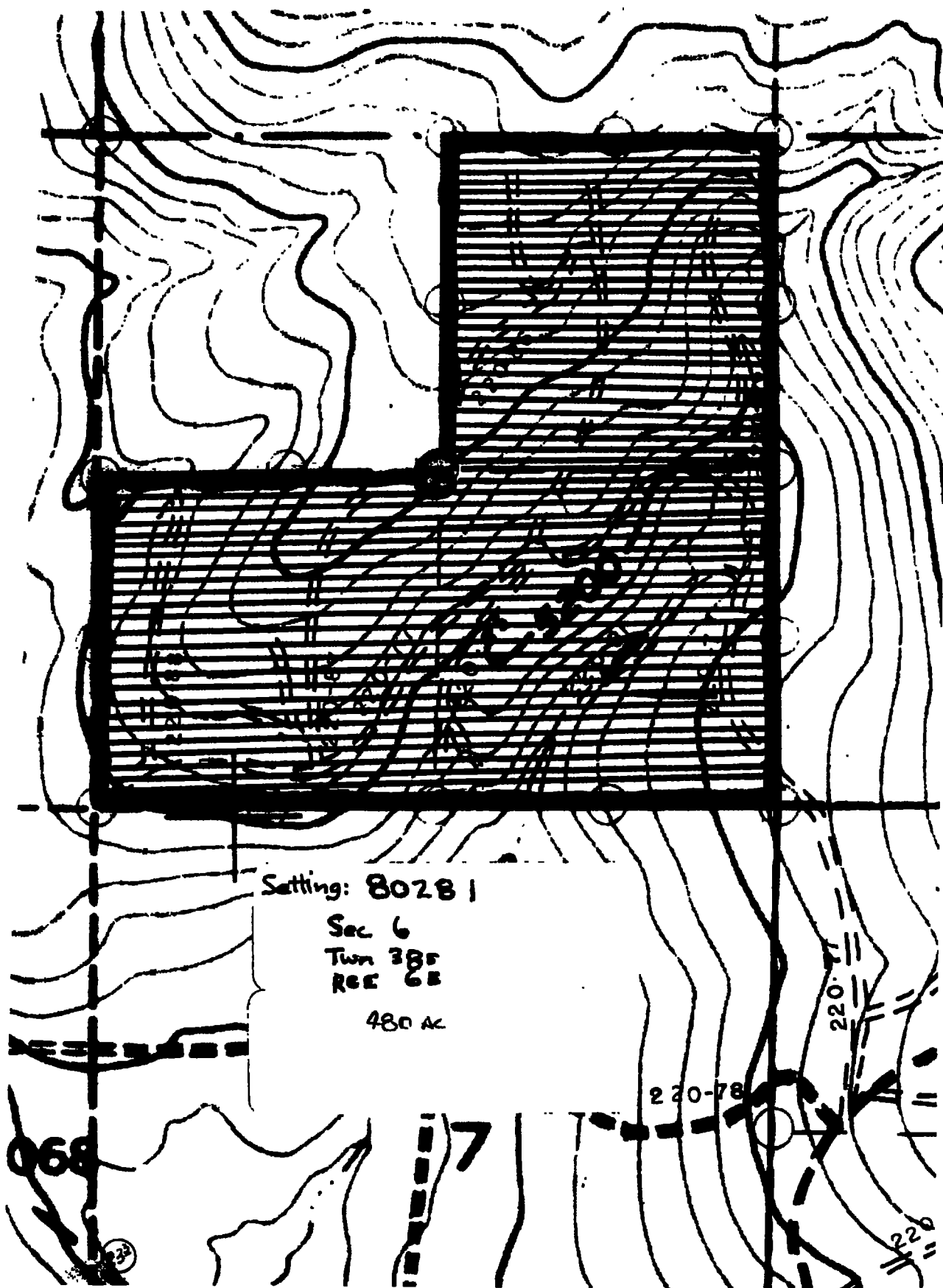
Scale 1:24,000

Mitchell 1.mxd
12/6/2003





23691



23692

State : Oregon

County : Klamath

Tract : West District

Operator:

Start Date:

Written Plan Req'd: NO

Plan 80101

Project : 2003 Harvest Units

Setting Number:



Owner : U.S. Timberlands

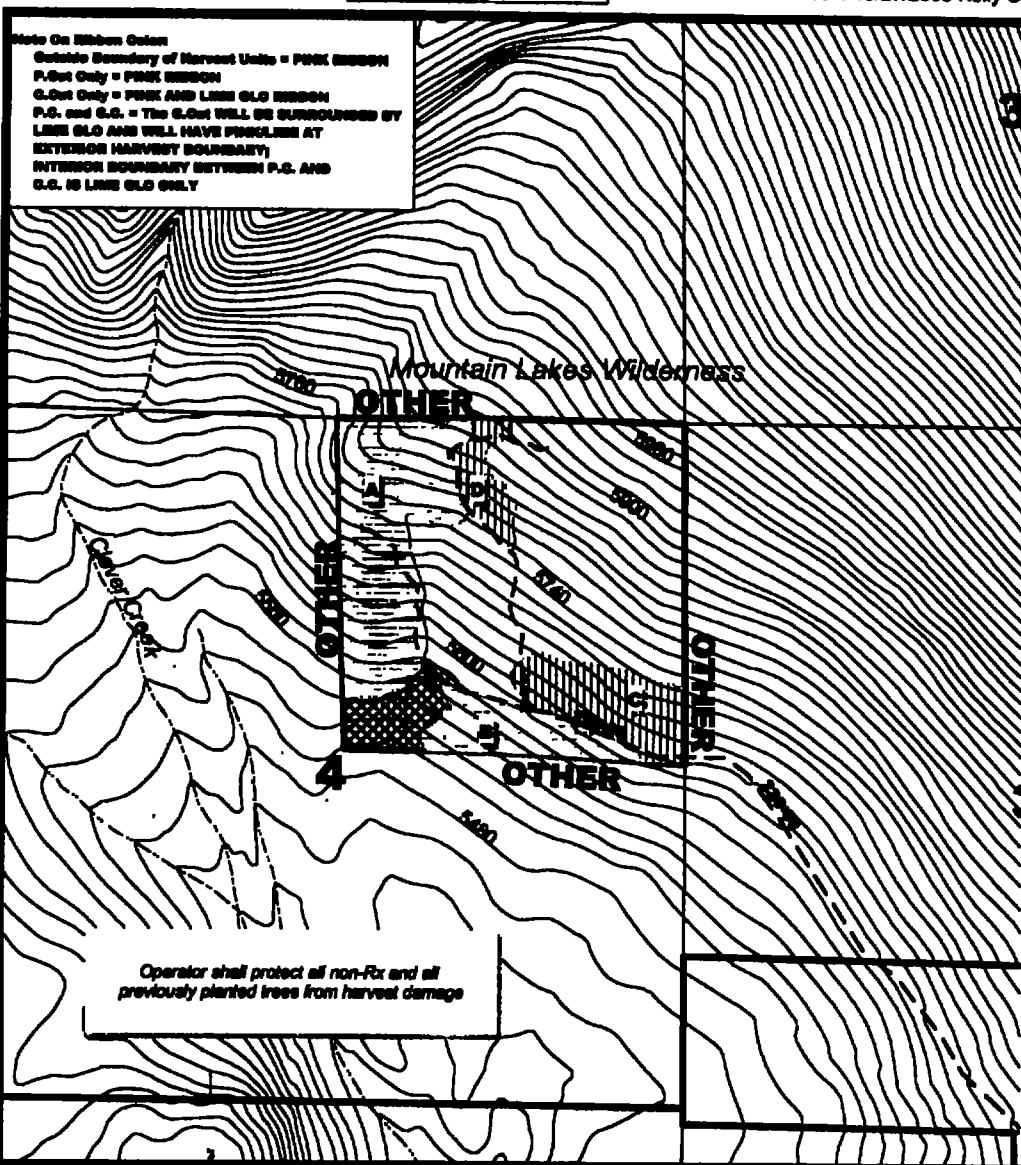
Township : 38S

Range : 6E

Section : 4

Map Scale 1:12000

Date : 10/27/2003 Kelly C.



Imagery Information : 1987 INR; Photo 03-24-35

Unit # Acres Harvest Prescription

"A"	38 ac.	C.Out - Cut all species to minimum march specs; PROTECT all sub-Rx trees
"B"	12 ac.	C.Out - Same Rx as "A"
"C"	16 ac.	P.Out - Type 2 Harvest: Thin stand to no greater than 26' healthy leave tree spacing on 1" + DBH trees. Any species can be cut to min. march. specs. Do not cut any trees marked with orange "W's"
"D"	6 ac.	P.Out - Same Rx as "C"

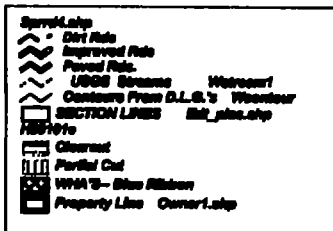
Total Ac: 70 ac.

FPA Requirements: Two Up: Within WHA for units "A & B"

Marked with orange "W's" within units "C & D"

Two Down: Two per acre req'd for units "A,B,C & D"

Other



23693

State : Oregon

County : Klamath

Tract : West District

Operator: _____

Start Date: _____

Written Plan Req'd: NO

Plan 80102

Project : 2003 Harvest Units

Setting Number: _____



Owner : U.S. Timberlands

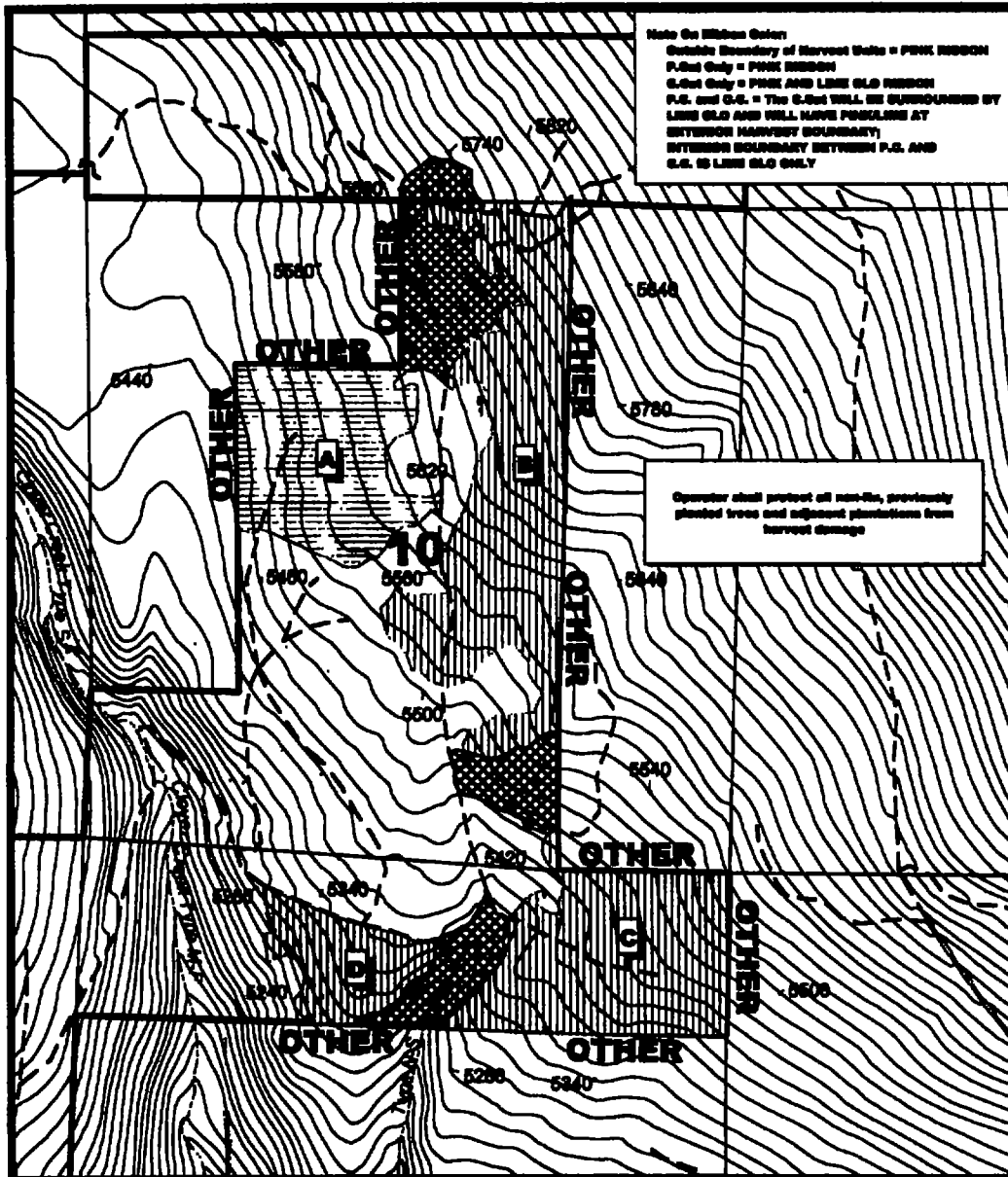
Township : 36S

Range : 6E

Section : 3, 10 & 15

Map Scale 1:12000

Date : 10/27/2003 Kelly C.



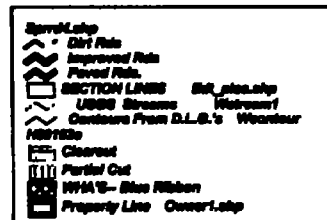
Imagery Information : 1897 IRS; Photos 03-35-30 & 31

Unit # Acres Harvest Prescription

"A"	45 ac.	C-Cut- Cut all species to minimum merch spec.; PROTECT all sub-Fx trees
"B"	78 ac.	P.Cut- Type 2 Harvest: Thin stand to no greater than 25' healthy leave tree spacing on 1" + DBH trees. Any species can be cut to min. merch. spec.
"C"	53 ac.	P.Cut- Same Rx as "B"
"D"	19 ac.	P.Cut- Same Rx as "B"

Total Ac: 193 ac.

FPA Requirements: Two Up: Within WHA's for units "A,B,C & D"
 Two Down: Two per acre req'd for units "A,B,C & D"
 Other



23694

State : Oregon
 County : Garath
 Tract : West District
 Operator :
 Start Date :
 Written Plan Req'd: NO

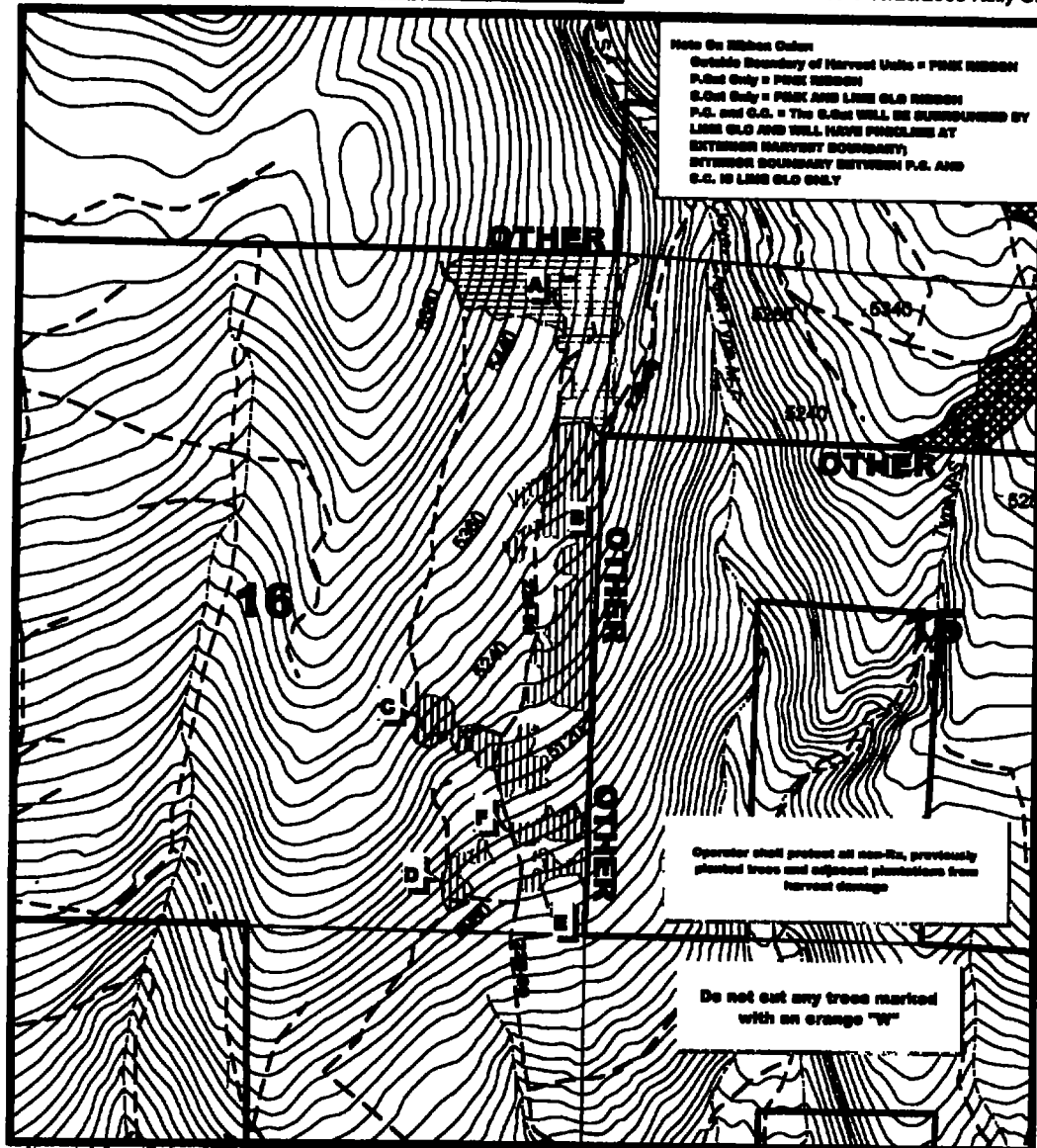
Plan 80103

Project : 2003 Harvest Units
 Setting Number:



Owner : U.S. Timberlands
 Township : 38S
 Range : 6E
 Section : 15 & 16
 Map Scale : 1:12000
 Date : 10/29/2003 Kelly C.

1000 0 1000 Feet



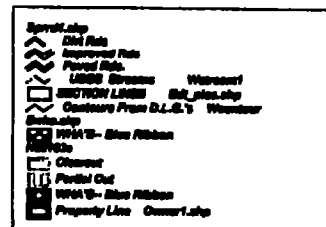
Imagery Information : 100% RGB; Photos 03-34-32

Unit # Acres Harvest Prescription

"A"	23 ac.	Q.Cut- Cut all species to minimum march spec.; PROTECT all sub-Rx trees
"B"	22 ac.	P.Cut- Type 2 Harvest: Thin stand to no greater than 25' healthy leave tree spacing on 1" + DBH trees. Any species can be cut to min. march. specs. Do not cut any trees with orange "W"s
"C"	8 ac.	P.Cut- Same Rx as "B"
"D"	2 ac.	P.Cut- Same Rx as "B"
"E"	2 ac.	P.Cut- Same Rx as "B"
"F"	3 ac.	P.Cut- Same Rx as "B"

Total Ac: 60 ac.

FPA Requirements: Two Up: Within units "A,B,C,D,E & F" marked with orange "W"s
 Two Down: Two per acre req'd for units "A,B,C,D,E & F"
 Other



23695

State : Oregon

County : Klamath

Tract : West District

Operator:

Start Date:

Written Plan Req'd: NO

Plan 80104

Project : 2002 Harvest Units

Setting Number:



Owner : U.S. Timberlands

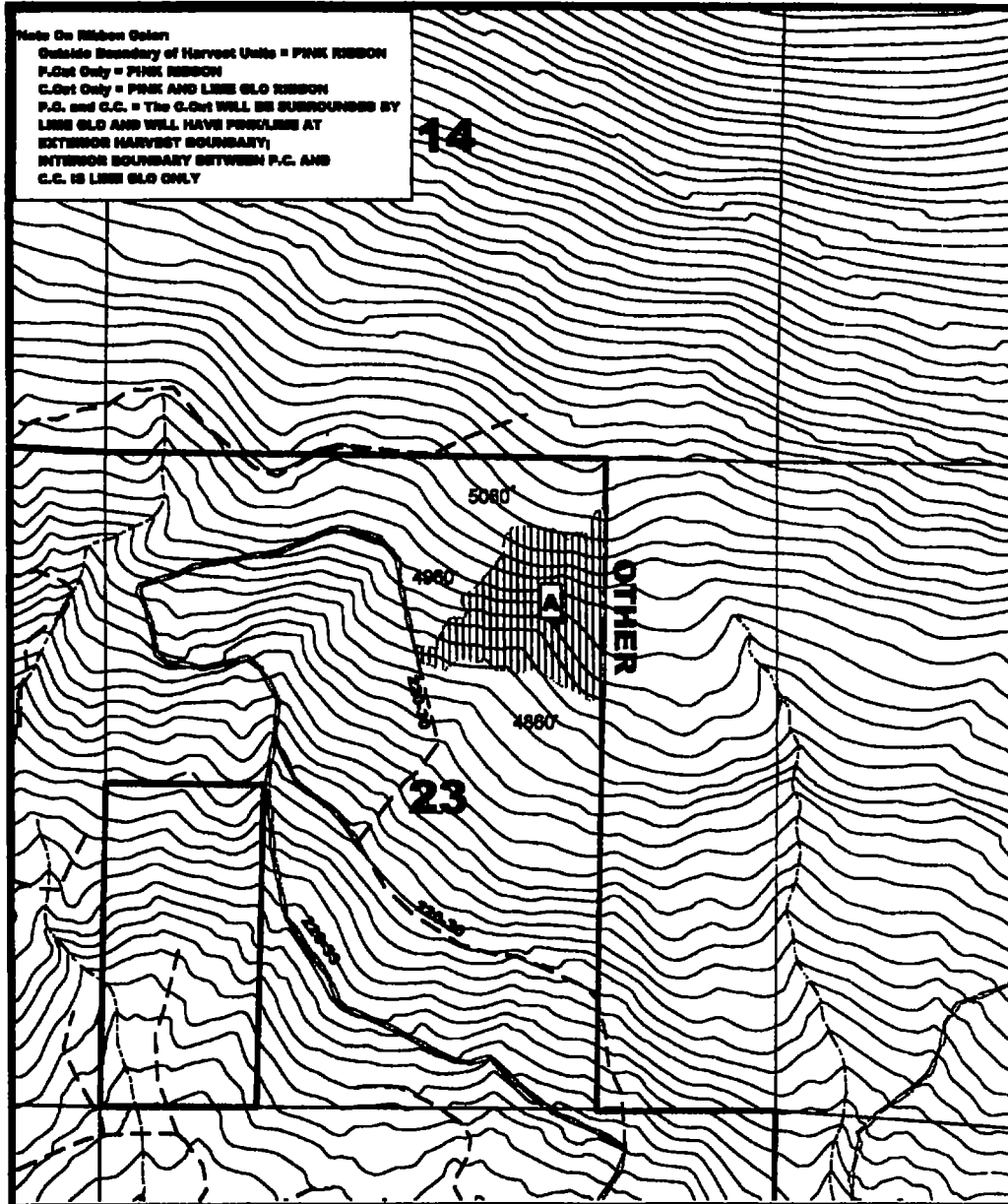
Township : 38S

Range : 6E

Section : 23

Map Scale 1:12000

Date : 8/15/2002 Kelly C.



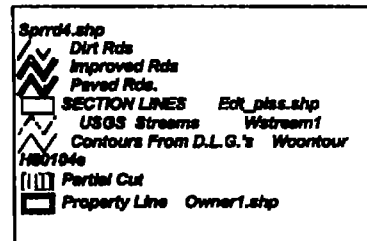
Imagery Information : 1997 IRS; Photo 01-25-26

Unit # Acres Harvest Prescription

"A" 29 ac. P.Cut/Spacing Cut - Cut all spike top White Fir
 then space the remainder of
 stand to an average of 20'
 healthy leave tree spacing.

Total Ac: 29 ac.

FPA Requirements: Two Up: N/A
 Two Down: N/A
 Other



23696

239-20

229-43

229-00

220-42

220-48

220-18

220-27

101-03

101-06

101-04

28

27

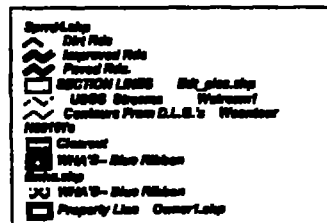
33

34

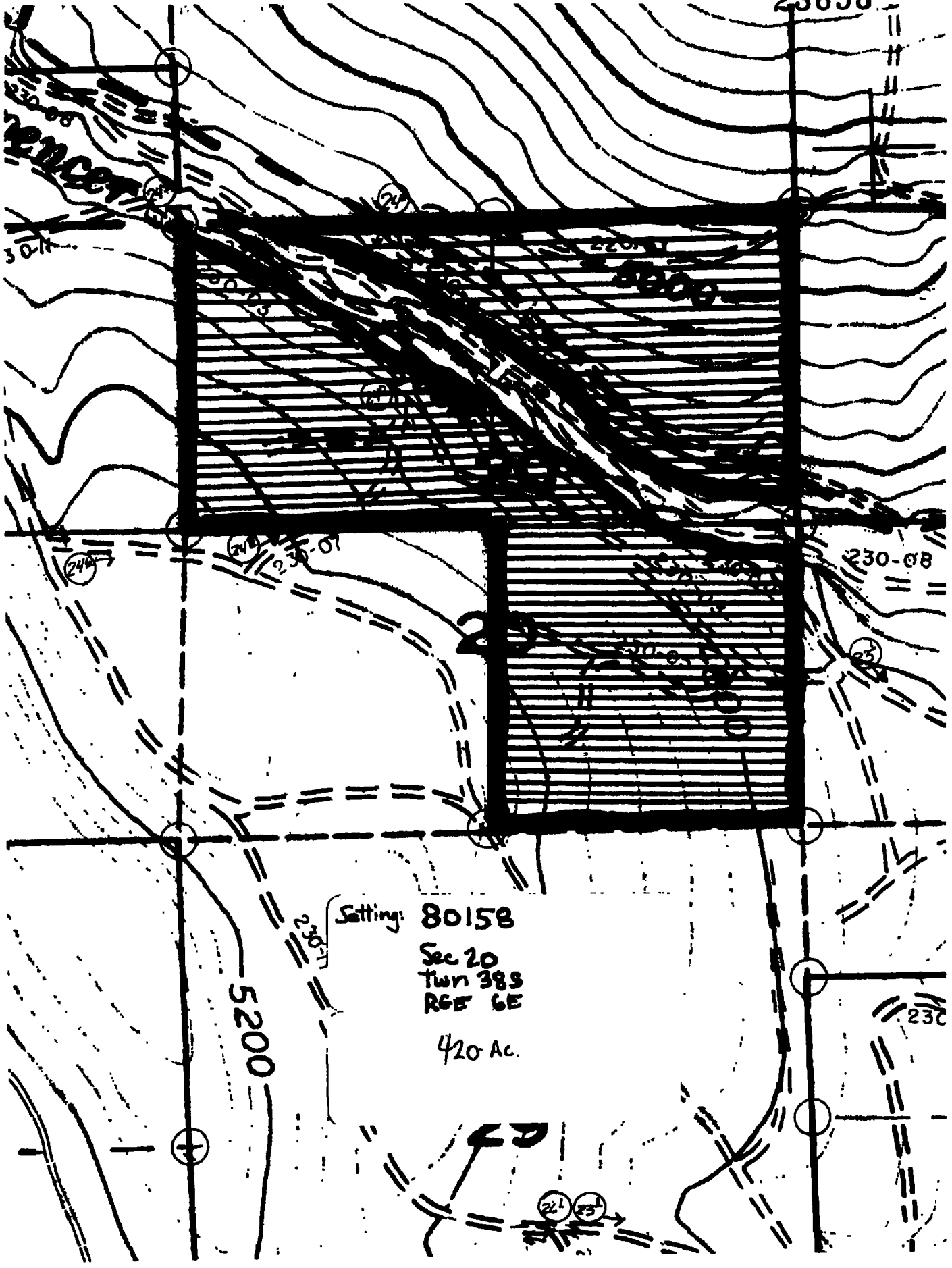
Clay Creek

Settling: 80105
 Sec 28 & 33
 Twp 38S
 R4E 6E
 10. Ac

Setting: 80105
Sec 28 & 33
Town 38S
Range 6E
10. Ac



23698



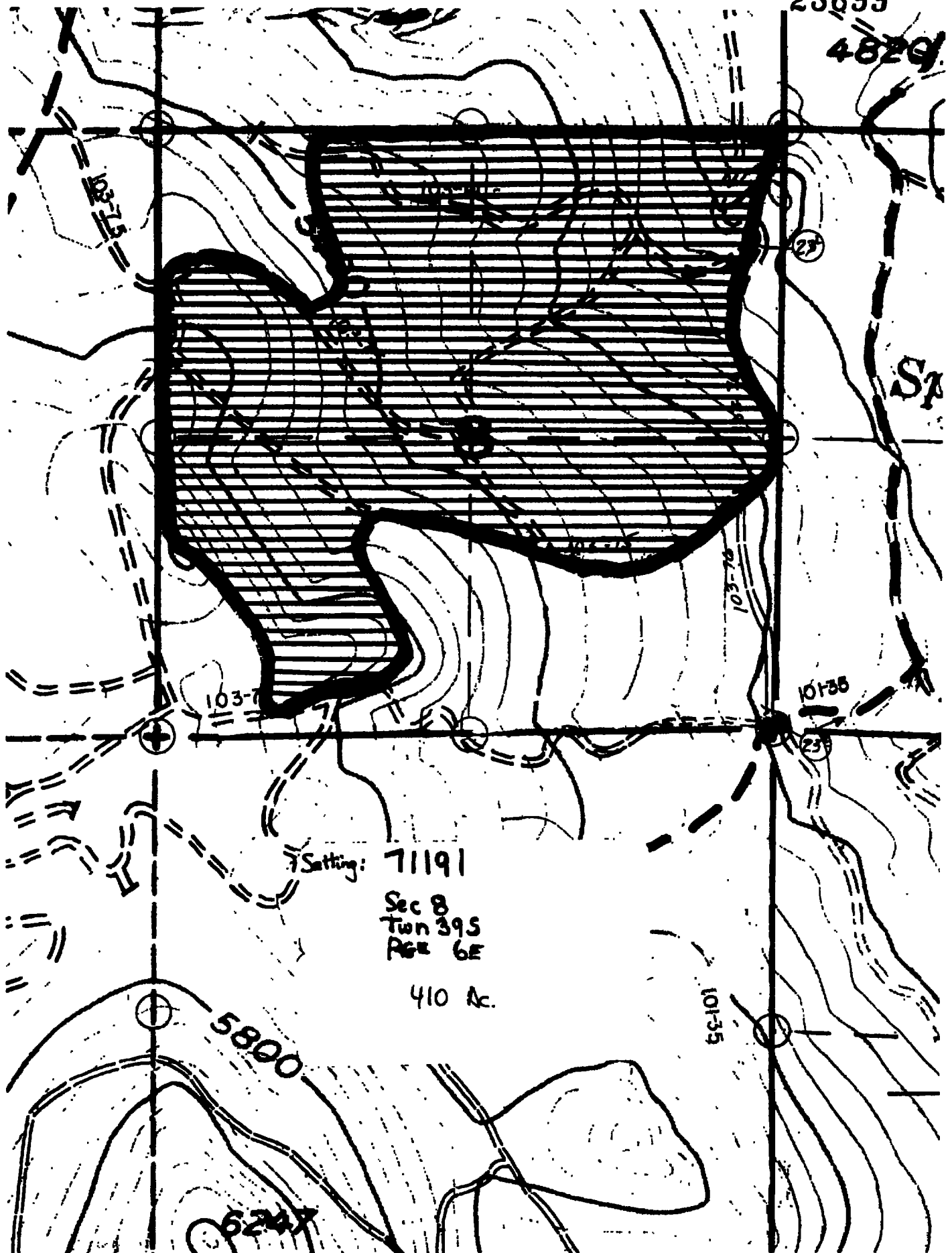
Setting: 80158
Sec 20
Twn 38S
R6E 6E
420 Ac.

5200

230

23699

4829



Setting: 71191

Sec 8
Twp 39S
Rge 6E

410 Ac.

5800

6247

103-35

103-36

103-35

23

23

03 DEC 31 PM 12:37

EXHIBIT IV

23700

Vol M93 Page 94255

AFTER RECORDING, RETURN TO:

Laurie N. Ragon

DOBBY & WHITNEY LLP
1420 Fifth Avenue, Suite 3400
Seattle, WA 98101

State of Oregon, County of Klamath
Recorded 12/31/03 12:37 P.m.
Vol M93 Pg 94255-94260
Linda Smith, County Clerk
Fee \$ 46.00 # of Pgs 6

SEND TAX STATEMENTS TO:

Cathy Gray

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

TIMBER DEED

(Klamath County - Turn Back Units)

U.S. TIMBERLANDS KLAMATH FALLS, L.L.C., a Delaware limited liability company ("Grantor"), conveys to AMERICAN FOREST SERVICES, L.L.C., a Delaware limited liability company ("Grantee"), certain timber located on the land situated in Klamath County, Oregon, more particularly described in Exhibit A, attached hereto and incorporated herein by this reference, and more specifically, within the "Units" depicted on the maps, also set forth in Exhibit A.

The true and actual consideration for this transfer is \$120,000.00.

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.

23701

84256

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

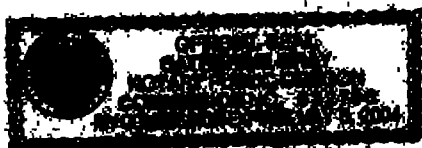
U.S. TIMBERLANDS KLAMATH FALLS, L.L.C.

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 M. [Signature]
NOTARY PUBLIC FOR Oregon
My commission expires: 5/6/04

23702

94257

EXHIBIT A

KLAMATH COUNTY TURN BACK UNITS

Klamath County, State of Oregon

Map 93602

Portions of the following:	NE 1/4 NE 1/4	Section 6, T40S, R7E
	NW 1/4 NE 1/4	"
	SE 1/4 NE 1/4	"

Map 93618

Portions of the following:	SW 1/4 SE 1/4	Section 27, T19S, R7E
	SE 1/4 SW 1/4	"

NE 1/4 NE 1/4	Section 34
NW 1/4 NE 1/4	"
SE 1/4 NE 1/4	"

Portions of the following:	SW 1/4 SE 1/4	Section 33, T19S, R7E
	SE 1/4 SW 1/4	"

Portions of the following:	SE 1/4 SW 1/4	Section 23, T39S, R6E
	SW 1/4 SW 1/4	"
	NW 1/4 SW 1/4	"
	SW 1/4 SW 1/4	"

Portions of the following:	SE 1/4 NE 1/4	Section 26, T39S, R6E
	SW 1/4 NE 1/4	"
	NW 1/4 NE 1/4	"
	NE 1/4 SE 1/4	"
	SE 1/4 SE 1/4	"
	NE 1/4 NW 1/4	"
	SE 1/4 NW 1/4	"

Portions of the following:	NE 1/4 NW 1/4	Section 36, T39S, R6E
	NE 1/4 NW 1/4	"

23703

94253

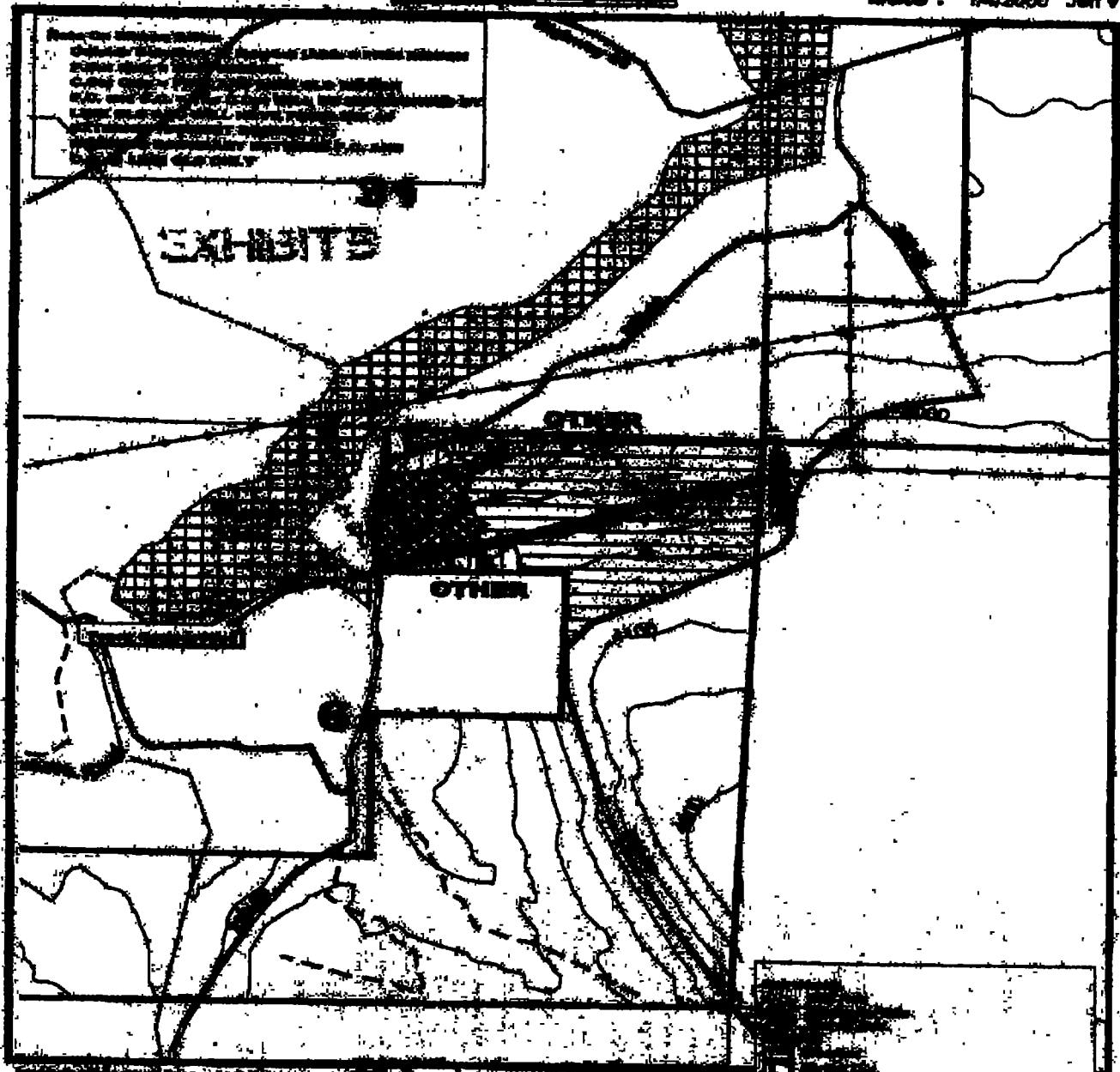
2002/01/10

State: Oregon
County: Multnomah
Tract: West District
Operator:
Start Date:
Written Plan Rights: NO

Plan 90000

Project: 2001 Harvest Line
Selling Method:

Owner: U.S. Forest Service
Township: 7N
Range: 7E
Section: 8
Map Scale: 1:10000
Date: 1/4/2006 Jeff V.



Unit #	Acres	Description
1	60.00	Unit 1 - 60.00 Acres
2	2.00	Unit 2 - 2.00 Acres
3	4.00	Unit 3 - 4.00 Acres

TOTAL AC: 66.00
FRA Requirements: Unit 1: 60.00 Acres, Unit 2: 2.00 Acres, Unit 3: 4.00 Acres

Legend:

- Recreational Management
- Forest Management
- Wilderness
- Other
- NIA

Scale: 1:10000

North Arrow

Map Date: 1/4/2006

Map By: Jeff V.

23704

State: Oregon
County: Marath
Tract: West District
Operator:
Start Date:
Water Plan Rev'd: NO

USCL 400 7473

US TERRITORY

Plan 00010

Plotted: 5 300 Marath Units

Water Number:

94259

0018/018

Owner: U.S. Fish and Wildlife Service

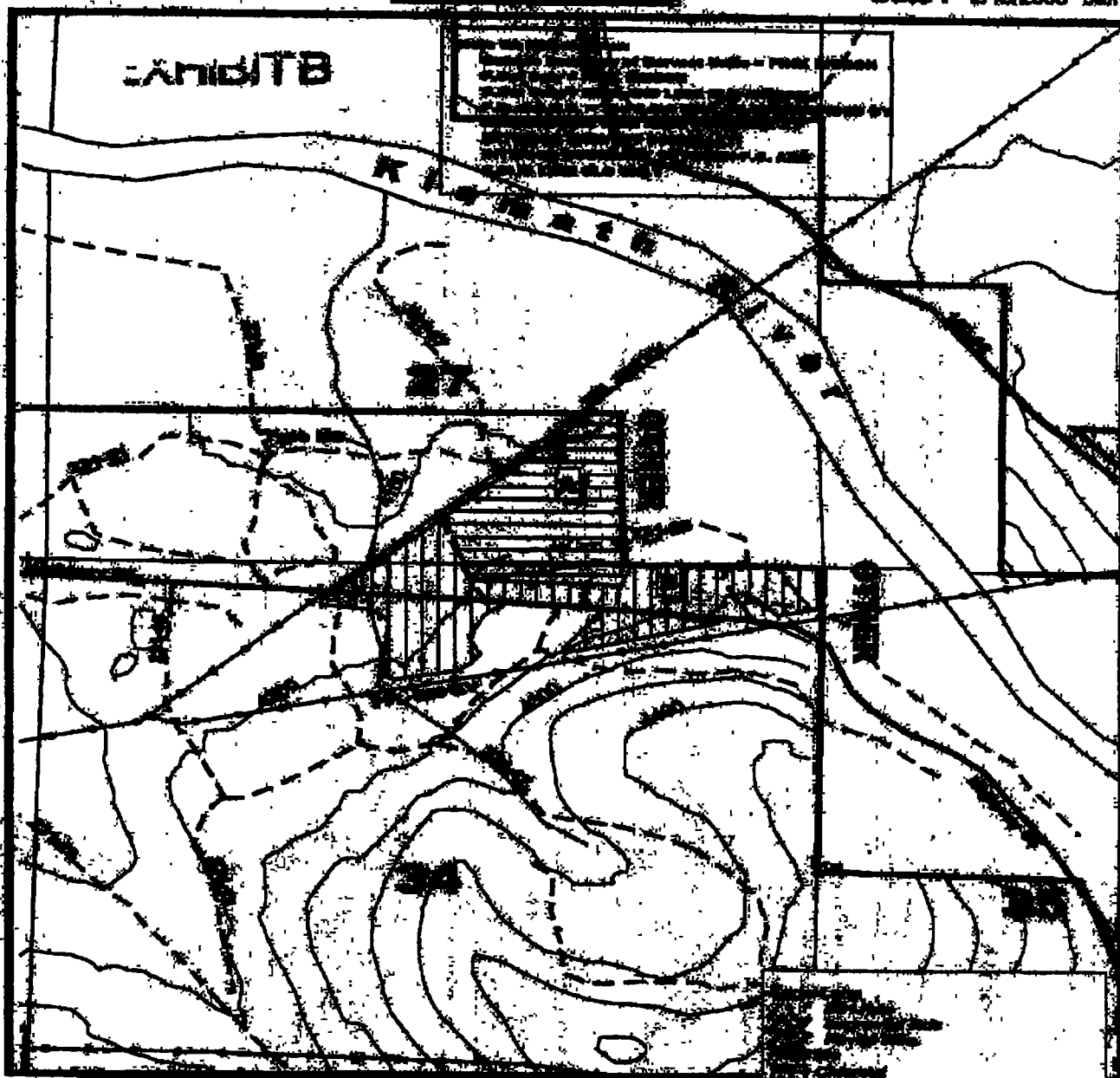
Location: 300

Range: 7E

Section: 27.34

Map Scale 1:12000

Date: 2/15/2000 Jeff V.



Map Scale: 1 inch = 1200 feet

Unit # Area Survey Description

Unit #	Area	Survey Description
1	5.14	COOK - 1000 Marath Units - 1000
2	42.12	COOK - 1000 Marath Units - 1000

Total Area: 74.26

FPA Requirements:

Two (2) copies of the map must be submitted to the FPA for review and approval.

Legend

- 1. 1000 Marath Units - 1000
- 2. 1000 Marath Units - 1000
- 3. 1000 Marath Units - 1000
- 4. 1000 Marath Units - 1000
- 5. 1000 Marath Units - 1000
- 6. 1000 Marath Units - 1000
- 7. 1000 Marath Units - 1000
- 8. 1000 Marath Units - 1000
- 9. 1000 Marath Units - 1000
- 10. 1000 Marath Units - 1000
- 11. 1000 Marath Units - 1000
- 12. 1000 Marath Units - 1000
- 13. 1000 Marath Units - 1000
- 14. 1000 Marath Units - 1000
- 15. 1000 Marath Units - 1000
- 16. 1000 Marath Units - 1000
- 17. 1000 Marath Units - 1000
- 18. 1000 Marath Units - 1000
- 19. 1000 Marath Units - 1000
- 20. 1000 Marath Units - 1000
- 21. 1000 Marath Units - 1000
- 22. 1000 Marath Units - 1000
- 23. 1000 Marath Units - 1000
- 24. 1000 Marath Units - 1000
- 25. 1000 Marath Units - 1000
- 26. 1000 Marath Units - 1000
- 27. 1000 Marath Units - 1000
- 28. 1000 Marath Units - 1000
- 29. 1000 Marath Units - 1000
- 30. 1000 Marath Units - 1000
- 31. 1000 Marath Units - 1000
- 32. 1000 Marath Units - 1000
- 33. 1000 Marath Units - 1000
- 34. 1000 Marath Units - 1000
- 35. 1000 Marath Units - 1000
- 36. 1000 Marath Units - 1000
- 37. 1000 Marath Units - 1000
- 38. 1000 Marath Units - 1000
- 39. 1000 Marath Units - 1000
- 40. 1000 Marath Units - 1000
- 41. 1000 Marath Units - 1000
- 42. 1000 Marath Units - 1000
- 43. 1000 Marath Units - 1000
- 44. 1000 Marath Units - 1000
- 45. 1000 Marath Units - 1000
- 46. 1000 Marath Units - 1000
- 47. 1000 Marath Units - 1000
- 48. 1000 Marath Units - 1000
- 49. 1000 Marath Units - 1000
- 50. 1000 Marath Units - 1000

Scale: 1 inch = 1200 feet
North Arrow
Legend
FPA Requirements
Two (2) copies of the map must be submitted to the FPA for review and approval.

23705

12/28/03 12:43 2004 025 5472

NO TIMBERLAND

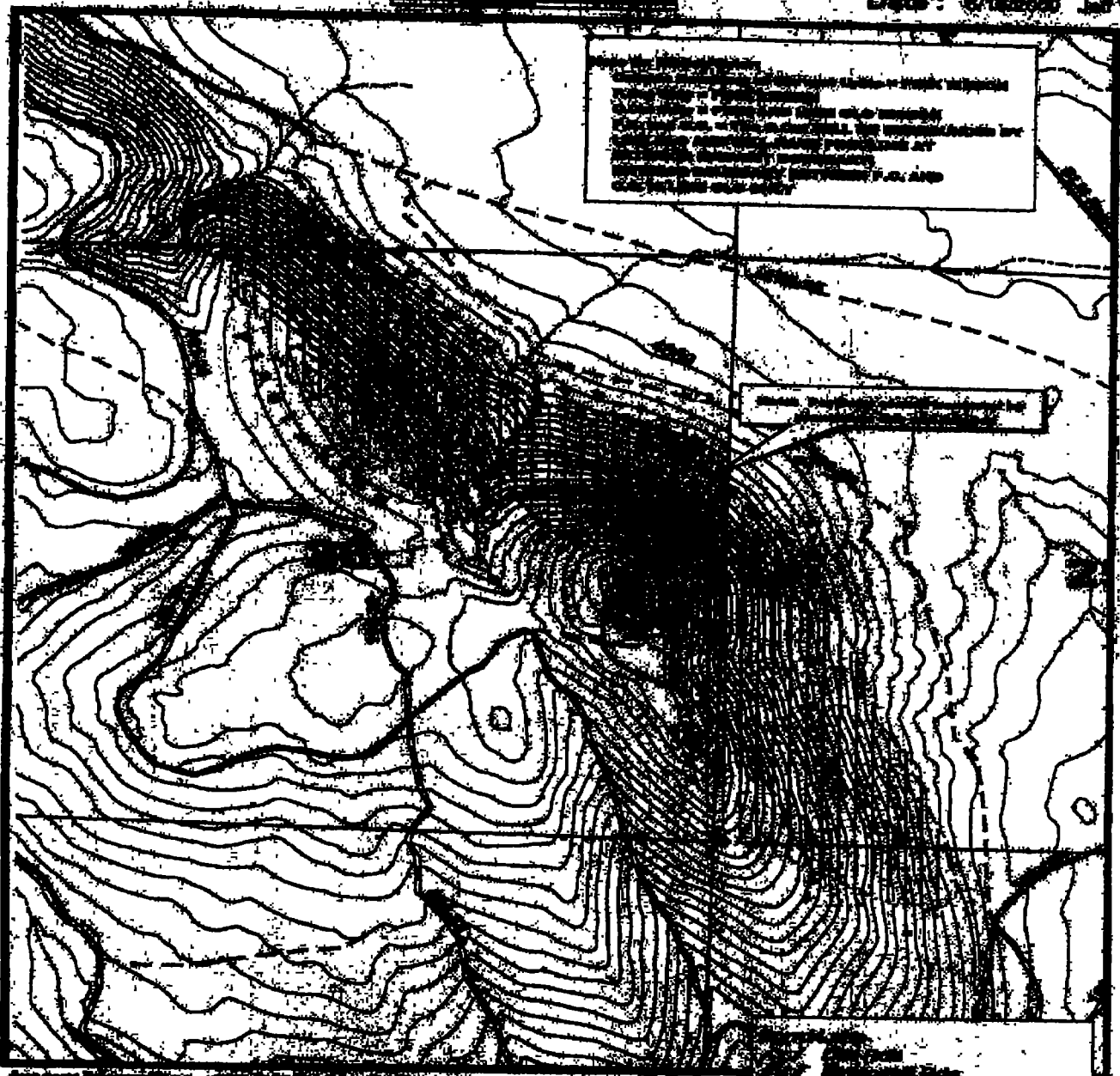
94260 0000/011

State: Oregon
County: Harney
Tract: West Slope
Operator:
Start Date:
Written Plan Page: NO

Plan 88007

Project: 210 Harvest Units
Acres: 1000

Owner: U.S. Timberlands
Permit No.: 385
Range: 05
Section: 7
Map Scale: 1:25000
Date: 6/18/00 JRV



NOTICE: This map is a reproduction of a map prepared by the U.S. Forest Service, and is not to be used for any purpose other than that for which it was prepared. The U.S. Forest Service is not responsible for any errors or omissions in this map, and is not liable for any damages resulting from its use. This map is the property of the U.S. Forest Service, and is loaned to you for your use only. It is to be returned to the U.S. Forest Service when you are finished with it.

Map Scale: 1:25000

Unit 8: 2000
FPA Requirements: 2000

Legend:
Road
Stream
Contour Line
Shaded Area
Other

EXHIBIT B

Total Acre: 2000
FPA Requirements: 2000

Legend:
Road
Stream
Contour Line
Shaded Area
Other

AFTER RECORDING, RETURN TO:

Laurie N. Ragen
 DORSEY & WHITNEY LLP
 1426 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 \$ 96.00 # 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, Sand 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

31✓
 15/12

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 2, 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: (1) 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 [Buyer's] 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.

23708

94263

Dated effective as of December 12, 2003.

ASSIGNOR:

U.S. TIMBERLANDS KLAMATH FALLS,
LLC

By: TIMBER RESOURCE SERVICES,
LLC, its Manager

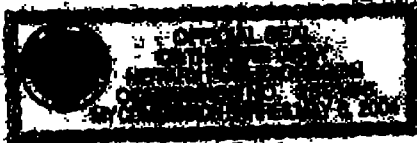
By: Martin Logue
Martin Logue, Vice President Timber
Operations

STATE OF OREGON)

) ss.

COUNTY OF KLAMATH)

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



Catherine May

NOTARY PUBLIC FOR OREGON
My commission expires 12/31/2006