

EASEMENT EXCHANGE

THIS Agreement, made and entered into this 6 day of July, 2004,
by and between **AMERICAN FOREST RESOURCES, LLC**, a Delaware corporation,
hereinafter referred to as "AFR," and **RICHARD THOMAS CORNELL and STEVEN
EDWARD CORNELL**, hereinafter collectively referred to as "Cornell's", Witnesseth:

I.

A. AFR hereby grants and conveys to Cornell's, their heirs, successors and
assigns, a permanent, non-exclusive easement upon, over and along a right-of-way approximately
twenty (20) feet in width over and across the following described lands in Klamath County,
Oregon, located approximately as shown in green on the attached Exhibit A.

Section 9 - T37S-R14E, W.M.

B. Cornell's hereby grants and conveys to AFR, its successors and assigns, a
permanent, non-exclusive easement upon, over and along a right-of-way approximately twenty
(20) feet in width over and across the following described lands in Klamath County, Oregon,
located approximately as shown in red on the attached Exhibit A.

Section 5 - T37S-R14E, W.M.

Subject as to said lands to all matters of public record.

It is mutually agreed by the parties hereto the rights herein granted are subject to
the following terms and conditions:

1. The easements are conveyed for the purpose of construction, reconstruction, use,
and maintenance of a road, for the purpose of providing access to and from lands now owned or
hereafter acquired by the parties hereto.
2. Each party reserves the right at all times and for any purpose to go upon, cross and
recross, at any place on grade or otherwise, said right-of-way, and to use said road in any manner
that will not unreasonably interfere with the rights granted to the other party hereunder.

3. Each party may grant to third parties, upon such terms as it chooses, any or all of the rights reserved by it herein; provided, that use by such party shall be subject to the terms and conditions of this Agreement and shall not unreasonably interfere with the rights granted to the other party hereunder.

4. Each party hereto may permit its respective contractors, licensees, purchasers of timber or other valuable materials and their agents, to exercise the rights granted to it herein.

5. When either party is the sole user of said road, or any portion thereof, such party shall maintain that portion of said road so used at its sole expense. However, during periods of time when other parties are using the same portions of said road, maintenance shall be in proportion to each party's use.

For the purpose of this agreement, maintenance is defined as the work normally necessary to preserve and keep the roads as nearly as possible in their present condition or as hereafter improved.

6. Unless the parties hereto agree in writing to share the cost of improvements in advance of such improvements being made, such improvements shall be solely for the account of the improver.

7. Each party has made no representation as to the present or future condition of its property, or the character of the traffic on its roads, and each party assumes all risk of damage to property of and injury to each party in connection with the exercise of rights granted hereunder.

8. Each party shall indemnify and hold harmless against all claims or liabilities asserted by third persons resulting directly or indirectly from each party's acts or omissions hereunder whether negligent or otherwise.

9. Each party hereto reserves to itself all timber now on or hereafter growing within the right-of-way on its said lands.

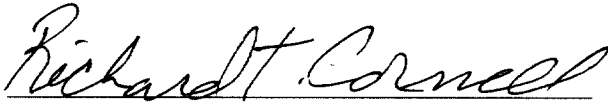
10. Grantees recognize that Grantor's lands in the area are managed for commercial forestry including logging, slash burning, other fire control, silvicultural site preparation, forest roads, aerial and ground application of forest chemicals, and other silvicultural practices which often create noise, dust, visual impacts and other alterations of the forest environment. In conducting such operations Grantor will comply with all laws and regulations applying in commercial forest areas. No additional restrictions shall be imposed on Grantor's forest

management operations because of proximity to any uses of Grantees' lands dependent on or facilitated by this easement.

11. The rights and obligations hereunder shall inure to the benefit of and be binding upon the heirs, successors, and assigns of the parties hereto.

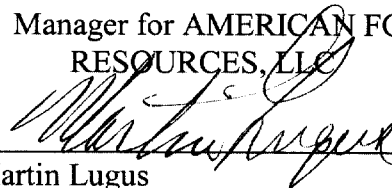
IN WITNESS WHEREOF, the parties hereto have executed this instrument, in duplicate, as of the day and year hereinabove first written.

RICHARD THOMAS CORNELL

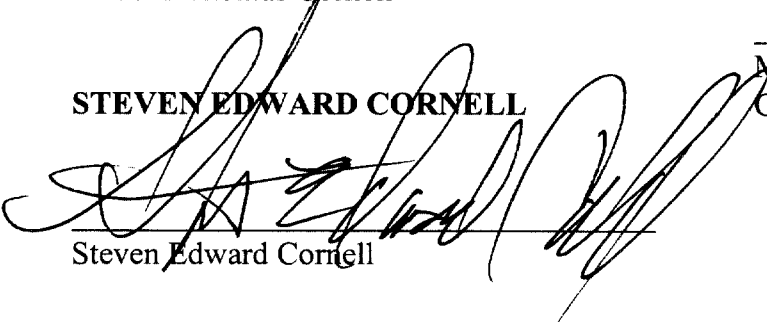

Richard Thomas Cornell

TIMBER RESOURCE SERVICES, LLC

Manager for AMERICAN FOREST
RESOURCES, LLC


Martin Lugus
General Manager

STEVEN EDWARD CORNELL


Steven Edward Cornell

After recording return to:
Timber Resource Services, LLC
Attn: Cathy Gray
6400 Hwy. 66
Klamath Falls, OR 97601

RV

STATE OF OREGON)
)
COUNTY OF KLAMATH)

 ss.

On this 9th day of June, 2004, before me personally appeared Martin Lugas, to be known to be the General Manager, respectively, of TIMBER RESOURCE SERVICES, LLC, Manager for AMERICAN FOREST RESOURCES, LLC, the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they were authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



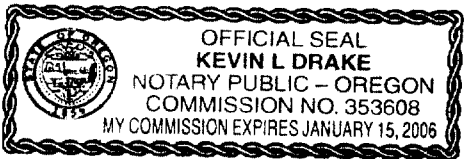
Catherine Gray
Notary Public in and for the State of Oregon
My Commission Expires: 5/6/08

STATE OF Oregon)
)
COUNTY OF Klamath)

 ss.

On this 6 day of July, 2004, before me personally appeared RICHARD THOMAS CORNELL, who executed the above and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal the day and year first above written.



Kevin L. Drake
Notary Public in and for the State of Oregon
My commission expires: January 15, 2006

STATE OF Oregon)
)
COUNTY OF Klamath)

 ss.

On this 6 day of July, 2004, before me personally appeared STEVEN EDWARD CORNELL, who executed the above and foregoing instrument and acknowledged that he signed the same as his free and voluntary act and deed for the uses and purposes therein mentioned.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal the day and year first above written.



Kevin L. Drake
Notary Public in and for the State of Oregon
My commission expires: January 15, 2006

EXHIBIT A

EASEMENT EXCHANGE

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