

M05-65852

Klamath County, Oregon

10/05/2005 11:46:08 AM

Pages 37 Fee: \$221.00

After Recording Please Return to:
Peter G. Seiden, Esq.
St. John & Wayne, L.L.C.
70 East 55th Street – 19th Floor
New York, New York 10022

MTT 63721

SECOND AMENDMENT TO AMENDED AND RESTATED PROMISSORY NOTE AND TO
AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF LEASES, RENTS AND AGREEMENTS AND FIXTURE FILING

by and between

BANK OF AMERICA, N.A.

and

AMERICAN FOREST SERVICES, LLC

Dated as of: July 26, 2005

Execution
[Klamath County, OR]

SECOND AMENDMENT TO AMENDED AND RESTATED PROMISSORY NOTE AND TO AMENDED AND RESTATED DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES, RENTS AND AGREEMENTS AND FIXTURE FILING (hereinafter referred to as the "Amendment"), dated as of July 26, 2005, by and between AMERICAN FOREST SERVICES, LLC, a Delaware limited liability company, having an address at 625 Madison Avenue, Suite 10-B, New York, New York 10022 (the "Grantor"), and BANK OF AMERICA, N.A., a national banking association, having an office located at 101 South Tryon, NC1-002-06-31, 6th Floor, Charlotte, North Carolina 28255, Attention: Dan McAvoy, Senior Vice President (the "Beneficiary" and as more particularly defined below).

W I T N E S S E T H:

WHEREAS, the Beneficiary, on March 31, 2004, loaned to the Grantor the principal amount of \$7,657,841.00 (the "Loan"), which Loan is evidenced by that certain Amended and Restated Promissory Note, dated as of March 31, 2004, given by the Grantor to the Beneficiary, as amended pursuant to a Second Amendment to Amended and Restated Promissory Note and to Amended and Restated Deed of Trust, Security Agreement, Assignment of Leases, Rents and Agreements and Fixture Filing, dated as of February 11, 2005, by and between the Grantor and the Beneficiary (the "First Amendment") (collectively, as same may be amended, supplemented, renewed, extended, replaced or restated from time to time after the date hereof, the "Note"); and

WHEREAS, there currently exists, as of the date hereof, \$4,979,662.21 of outstanding principal, together with accrued and unpaid interest on the Note; and

WHEREAS, the Loan is guaranteed by the Guarantor (as defined in the Note) pursuant to that certain Amended and Restated Continuing and Unconditional Guaranty, dated as of March 31, 2004, given by the Guarantor to the Beneficiary, as amended by the First Amendment to Amended and Restated Continuing and Unconditional Guaranty, dated as of February 11, 2005, by and between the Beneficiary and the Guarantor (collectively, as same may be amended, supplemented, renewed, extended, replaced or restated from time to time after the date hereof, the "Guaranty"); and

WHEREAS, the Guarantor, pursuant to a separate instrument to be executed and delivered by the Guarantor simultaneously with the execution and delivery of this Amendment, shall agree to the terms and conditions of this Amendment and shall reaffirm, in accordance therewith, the Guaranty (the "Guarantor's Reaffirmation"); and

WHEREAS, the Loan is secured by, among other things, that certain Amended and Restated Deed of Trust, Security Agreement, Assignment of Leases, Rents and Agreements and Fixture Filing, dated as March 31, 2004, given by the Grantor to Chicago Title Insurance Company, as the Trustee under the Deed of Trust, for the benefit of the Beneficiary covering the Property described therein, as amended by the First Amendment (collectively, as same may be

amended, supplemented, renewed, extended, replaced or restated from time to time after the date hereof, the "Deed of Trust"); and

WHEREAS, the tract known as "Ball Point" and the Conveyed Timber known as "Longbell" were reconveyed to the Grantor or its successor in interest, the remaining Conveyed Timber is described and depicted on Schedules A and B annexed hereto and the Overrun Proceeds are described on Schedule C annexed hereto; and

WHEREAS, the Deed of Trust was recorded on April 21, 2004, in the Office of the Klamath County Clerk, Oregon, in Volume M04, Page 23550; and

WHEREAS, the First Amendment was recorded on March 7, 2005, in the Office of the County Clerk, Klamath County, Oregon, in Volume M05, Page 15048; and

WHEREAS, the Grantor has requested that the Maturity Date for the Loan be extended to February 11, 2006; and

WHEREAS, the Beneficiary agrees to such extension, subject to the terms and conditions set forth herein; and

WHEREAS, the Grantor and the Beneficiary, in connection with the foregoing, desire to amend the Note and the Deed of Trust, and reaffirm, in their entirety, the Loan, the Note, the Deed of Trust and all other Loan Documents described in the Note; and

WHEREAS, all defined terms set forth herein shall have the same meaning as set forth in the Note or the Deed of Trust, as the case may be, unless otherwise specified herein;

NOW, THEREFORE, in consideration of the foregoing, the Beneficiary and the Grantor hereby mutually covenant and agree as follows:

1. Amendments to the Note. The Note is hereby amended by the Grantor and the Beneficiary, as of the date hereof as follows:

(a) The Maturity Date for the Note, as set forth on the top of the initial page of the Note shall be February 11, 2006.

(b) The first sentence of Paragraph 4(a) of the Note is hereby deleted in its entirety and the following is placed in its stead:

"Principal shall be paid in full in a single payment on the Maturity Date which is February 11, 2006."

2. Amendments to the Deed of Trust. The Deed of Trust is hereby amended by the Grantor and the Beneficiary as of the date hereof as follows:

(a) The sentence on the cover page of the Deed of Trust stating "The maturity date of the Note secured hereby is August 11, 2005" shall be deleted and the following shall be placed in its stead:

"The Maturity Date of the Note secured hereby is February 11, 2006."

(b) All references in the Deed of Trust to the "Note" shall be to the Note as amended by this Amendment.

3. Conditions Precedent. This Amendment shall become effective on the date on which the Lender shall have received this Amendment and the Guarantor's Reaffirmation executed and delivered by each of the parties hereto and thereto.

4. Principal Balance; No Claims, etc. The Grantor hereby certifies that as of the date hereof, the principal balance outstanding on the Loan is \$4,979,662.21, together with accrued and unpaid interest thereon as set forth in the Note. The Grantor has no counterclaim, offset, defense or right of recoupment of any kind against the Beneficiary and its Affiliates under the Note, the Deed of Trust or any other Loan Document, or any other instrument or evidence of indebtedness.

5. Reaffirmation. The Grantor covenants and agrees to comply with all of the terms, covenants and provisions contained in the Note, the Deed of Trust and each other Loan Document, as the case may be, as the same has been amended by this Amendment. The Grantor hereby reaffirms in its entirety the Loan, the Note, the Deed of Trust and each other Loan Document and each term thereunder, as the case may be, and as the same has been amended by this Amendment. Except as specifically amended by this Amendment, the provisions of the Note, the Deed of Trust and each other Loan Document are reaffirmed in the entirety and shall remain unchanged and in full force and effect.

6. Conflict With Other Documents. In the event of a conflict between the provisions of this Amendment and the provisions of the Note, the Deed of Trust and/or any other Loan Document, the provisions of this Amendment shall govern and control to the extent of such conflict.

7. Validity and Compliance. The Grantor covenants, warrants and represents to the Beneficiary, that (a) it is in compliance with all of the terms, covenants and conditions set forth in the Note, the Deed of Trust and any other Loan Document, as the case may be, (b) all representations and warranties of the Grantor made in the Note, the Deed of Trust and any other Loan Document, as the case may be, are true and correct in all material respects on and as of the date hereof as if such warranties and representations were made on and as of the date hereof, (c) there exists no Event of Default under the Note, the Deed of Trust and any other Loan Document, (d) the execution, delivery and performance by the Grantor of this Amendment and

any other documents delivered in connection herewith (i) does not constitute a breach of, or an Event of Default under, any agreement, contract, document or other arrangement to which it is a party or to which it may be bound, (ii) constitutes the legal, valid and binding obligations of the Grantor, fully enforceable against it in accordance with its respective terms, and (iii) has been approved by all members of the Grantor, and does not breach, and is not in conflict with, as the case may be, the applicable governing documents of the Grantor, and (e) the Grantor has all requisite power, authority and legal right (x) to execute and deliver this Amendment, together with all other documents contemplated herein and therein and to consummate the transactions and performance obligations hereunder and thereunder, and (y) to own its properties and assets and carry and conduct its business as presently conducted or proposed to be conducted.

8. Governing Law; Submission to Jurisdiction. This Amendment shall be governed and construed as provided in the Note. The Grantor further agrees to submit to the jurisdiction as provided in the Note.

9. Counterparts. This Amendment may be executed in two or more counterparts, each of which may be executed by one or more of the parties hereto, but all of which, when taken together, shall constitute a single amendment binding upon all of the parties hereto.

10. Successors and Assigns. This Amendment shall be binding upon and inure to the benefit of the successors, legal representatives, heirs and assigns of the parties hereto.

11. No Modification. This Amendment may not be amended, modified or otherwise changed without the mutual agreement in writing of the parties hereto.

12. Expenses. The Grantor shall also pay all reasonable and documented out-of-pocket fees, legal fees and expenses of the Beneficiary in connection with this Amendment and the transactions contemplated hereunder.

[signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

BANK OF AMERICA, N.A., Beneficiary

By: Rosemary T. Vrablic
Rosemary T. Vrablic, Senior Vice President

AMERICAN FOREST SERVICES, LLC

By: Timber Resource Services, LLC, its sole
member

By: _____
John M. Rudey, its President, CEO and
Chairman

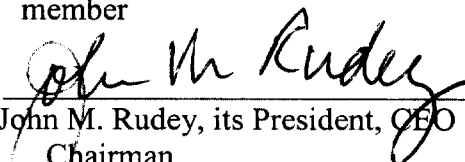
IN WITNESS WHEREOF, the parties hereto have executed and delivered this Amendment as of the date first written above.

BANK OF AMERICA, N.A., Beneficiary

By: _____
Rosemary T. Vrablic, Senior Vice President

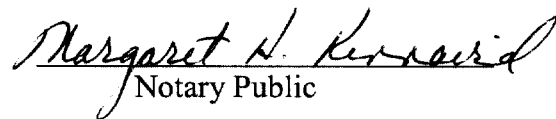
AMERICAN FOREST SERVICES, LLC

By: Timber Resource Services, LLC, its sole
member

By:  _____
John M. Rudey, its President, CEO and
Chairman

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the 19 day of ^{Sept}~~August~~, 2005, before me, the undersigned, a notary public in and for said state, personally appeared **John M. Rudey**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.


Notary Public

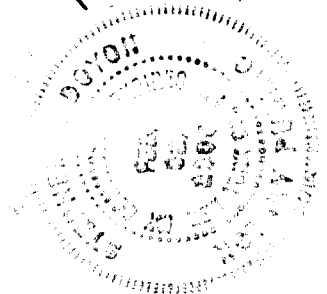
MARGARET H. KINNAIRD
Notary Public, State of New York
No. 41-4912678
Qualified in Queens County
Commission Expires July 5, 2006

STATE OF NEW YORK)
) SS.:
COUNTY OF NEW YORK)

On the 14th day of ~~August~~ ^{Sept.}, 2005, before me, the undersigned, a notary public in and for said state, personally appeared **Rosemary T. Vrablic**, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Stephen P. Doyon
Notary Public - State of New York
Reg. No. 01DO615022
Qualified in New York County
My Commission Expires Feb. 2, 2008


Notary Public



SCHEDULE A

Klamath County 2004 Timber Sale

Legal Description

See attached pages 1 through 6

Klamath County 2004 Timber Sale

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

Klamath County 2004 Timber Sale

	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>	

Klamath County 2004 Timber Sale

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	
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Klamath County 2004 Timber Sale

Setting: 80281 Acres: 480 Estimated MBF: 480

Lots 1 and 2	Section 6	T38S, R6E
S $\frac{1}{2}$ NE $\frac{1}{4}$	"	"
Lots 6 and 7	"	"
E $\frac{1}{2}$ SW $\frac{1}{4}$	"	"
SE $\frac{1}{4}$	"	"

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 $\frac{1}{4}$ NW $\frac{1}{4}$	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
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Klamath County 2004 Timber Sale

SW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"
<u>Setting: 80105</u>	<u>Acres: 64</u>	<u>Estimated MBF: 480</u>
SE $\frac{1}{4}$	Section 28	T38S, R6E
NW $\frac{1}{4}$ NE $\frac{1}{4}$	Section 33	T38S, R6E
<u>Setting: 80107</u>	<u>Acres: 208</u>	<u>Estimated MBF: 312</u>
NW $\frac{1}{4}$	Section 32	T38S, R6E
NE $\frac{1}{4}$	"	"
SE $\frac{1}{4}$	"	"
<u>Setting: 80158</u>	<u>Acres: 319</u>	<u>Estimated MBF: 638</u>
NW $\frac{1}{4}$	Section 20	T38S, R6E
NE $\frac{1}{4}$	"	"
SE $\frac{1}{4}$	"	"
<u>Setting: 71191</u>	<u>Acres: 293</u>	<u>Estimated MBF: 375</u>
Lots 1 through 16	Section 8	T39S, R6E

EXHIBIT A

KLAMATH COUNTY TURN BACK UNITS

Klamath County, State of Oregon

Plan 90008

Portions of the following:	NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 6, T40S, R7E
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	" " "
	SE $\frac{1}{4}$ NE $\frac{1}{4}$	" " "

Plan 90010

Portions of the following:	SW $\frac{1}{4}$ SE $\frac{1}{4}$	Section 27, T39S, R7E
	SE $\frac{1}{4}$ SW $\frac{1}{4}$	" " "

NE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 34	"	"
NW $\frac{1}{4}$ NE $\frac{1}{4}$	"	"	"
NE $\frac{1}{4}$ NW $\frac{1}{4}$	"	"	"

Portions of the following:	SW $\frac{1}{4}$ SE $\frac{1}{4}$	Section 23, T39S, R6E
	SE $\frac{1}{4}$ SW $\frac{1}{4}$	" " "

Portions of the following:	SE $\frac{1}{4}$ SW $\frac{1}{4}$	Section 25, T39S, R6E
	SW $\frac{1}{4}$ SW $\frac{1}{4}$	" " "
	NW $\frac{1}{4}$ SW $\frac{1}{4}$	" " "
	SW $\frac{1}{4}$ NW $\frac{1}{4}$	" " "

Portions of the following:	SE $\frac{1}{4}$ NE $\frac{1}{4}$	Section 26, T39S, R6E
	SW $\frac{1}{4}$ NE $\frac{1}{4}$	" " "
	NW $\frac{1}{4}$ NE $\frac{1}{4}$	" " "
	NE $\frac{1}{4}$ SE $\frac{1}{4}$	" " "
	SE $\frac{1}{4}$ SE $\frac{1}{4}$	" " "
	NE $\frac{1}{4}$ NW $\frac{1}{4}$	" " "
	SE $\frac{1}{4}$ NW $\frac{1}{4}$	" " "

Portions of the following:	NE $\frac{1}{4}$ NW $\frac{1}{4}$	Section 36, T39S, R6E
	NW $\frac{1}{4}$ NW $\frac{1}{4}$	" " "

SCHEDULE B

Klamath County 2004 Timber Sale

Maps

Please note that the location of the timber conveyed is depicted on the attached maps by solid or striped polygons and setting or plans numbers.

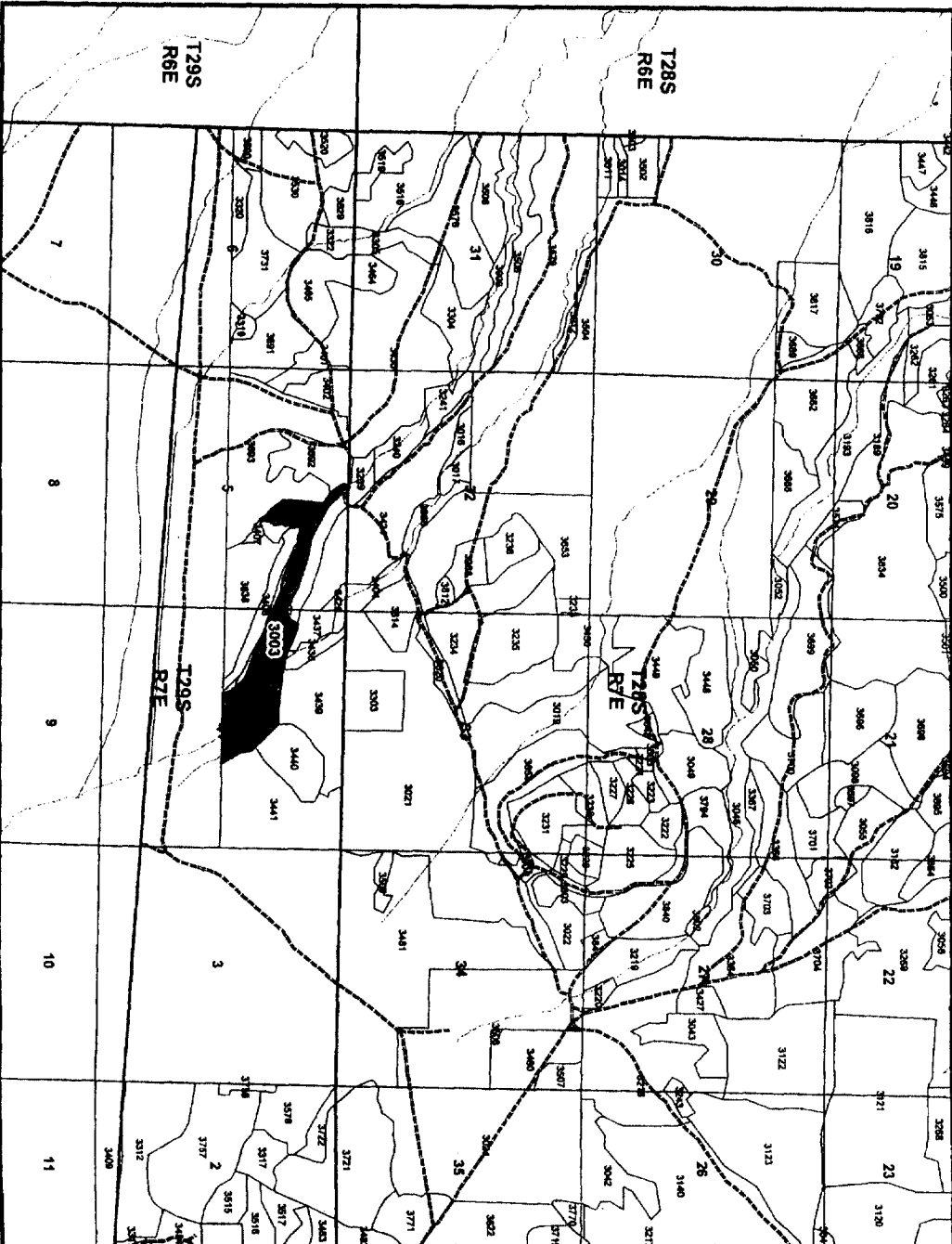
Chemult 2004 Plan Settings

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

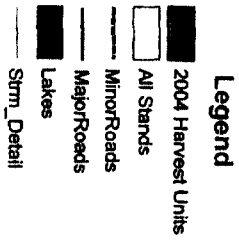


Scale 1:24,000

Chemult 1.mxd
12/8/2003

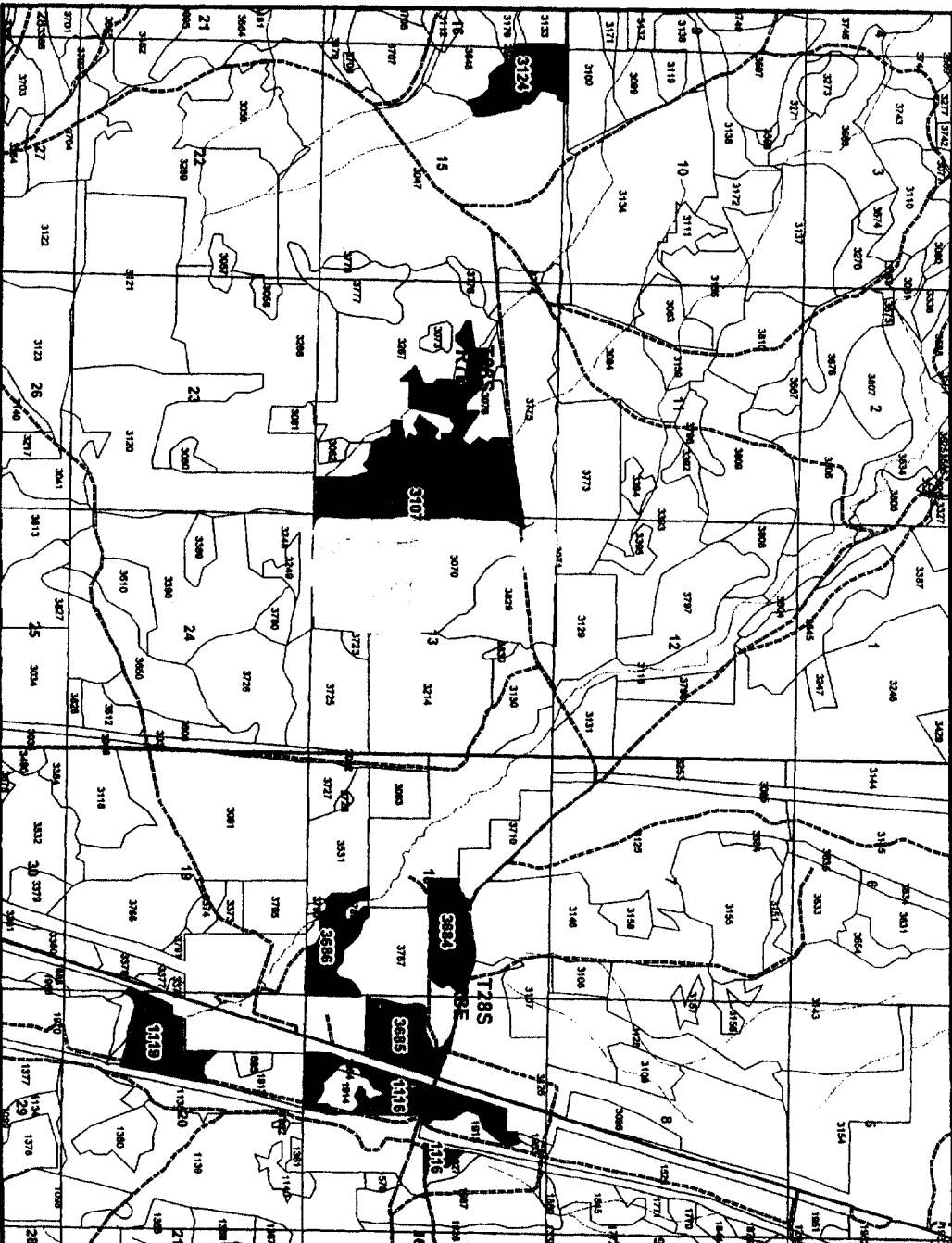


Chemult 2004 Plan Settings



Scale 1:24,000

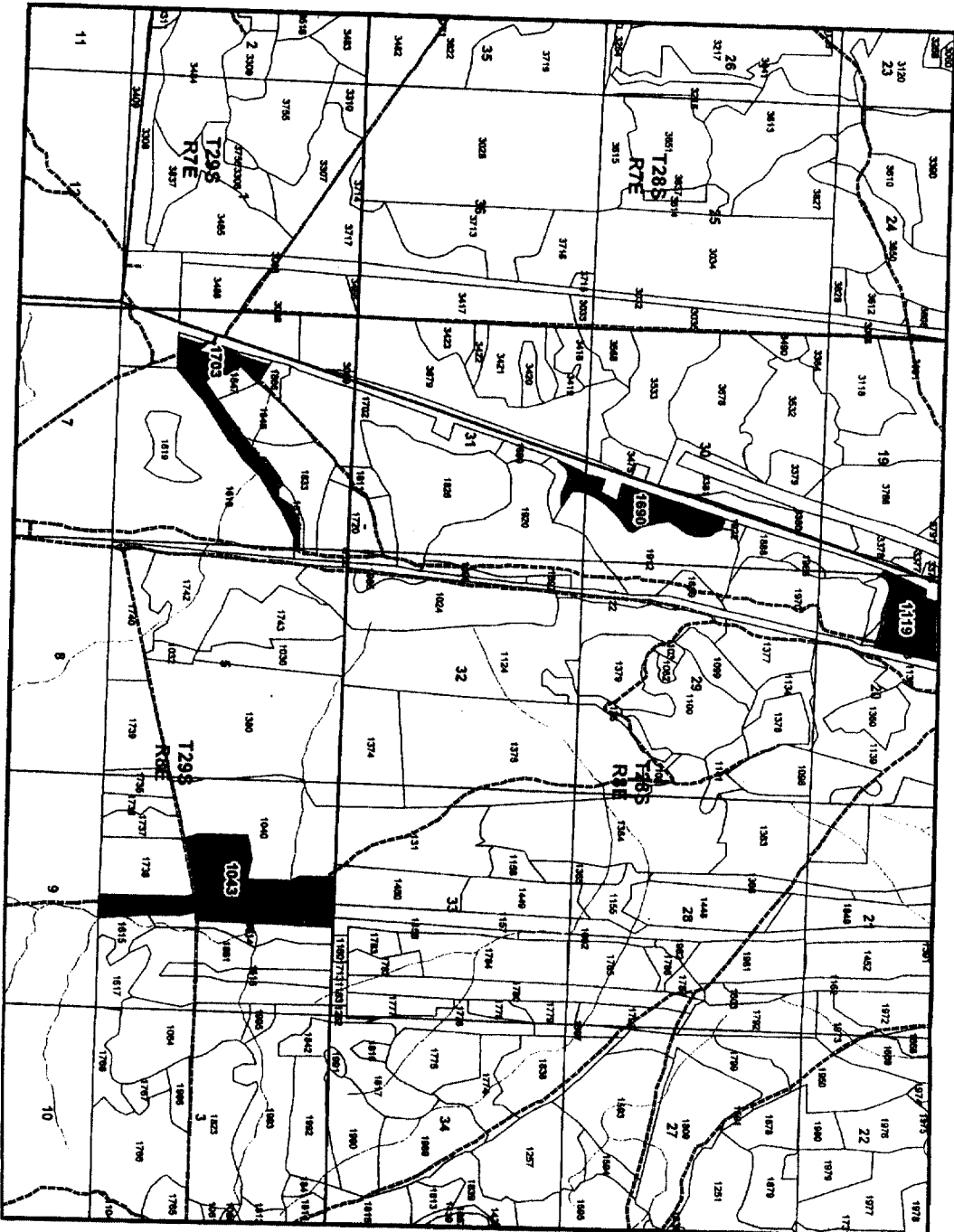
Chemult 2.mxd
12/8/2003



Chemult 2004 Plan Settings







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

Scale 1:24,000
Chemult 3.mxd
12/6/2003



Mitchell 2004 Plan Settings

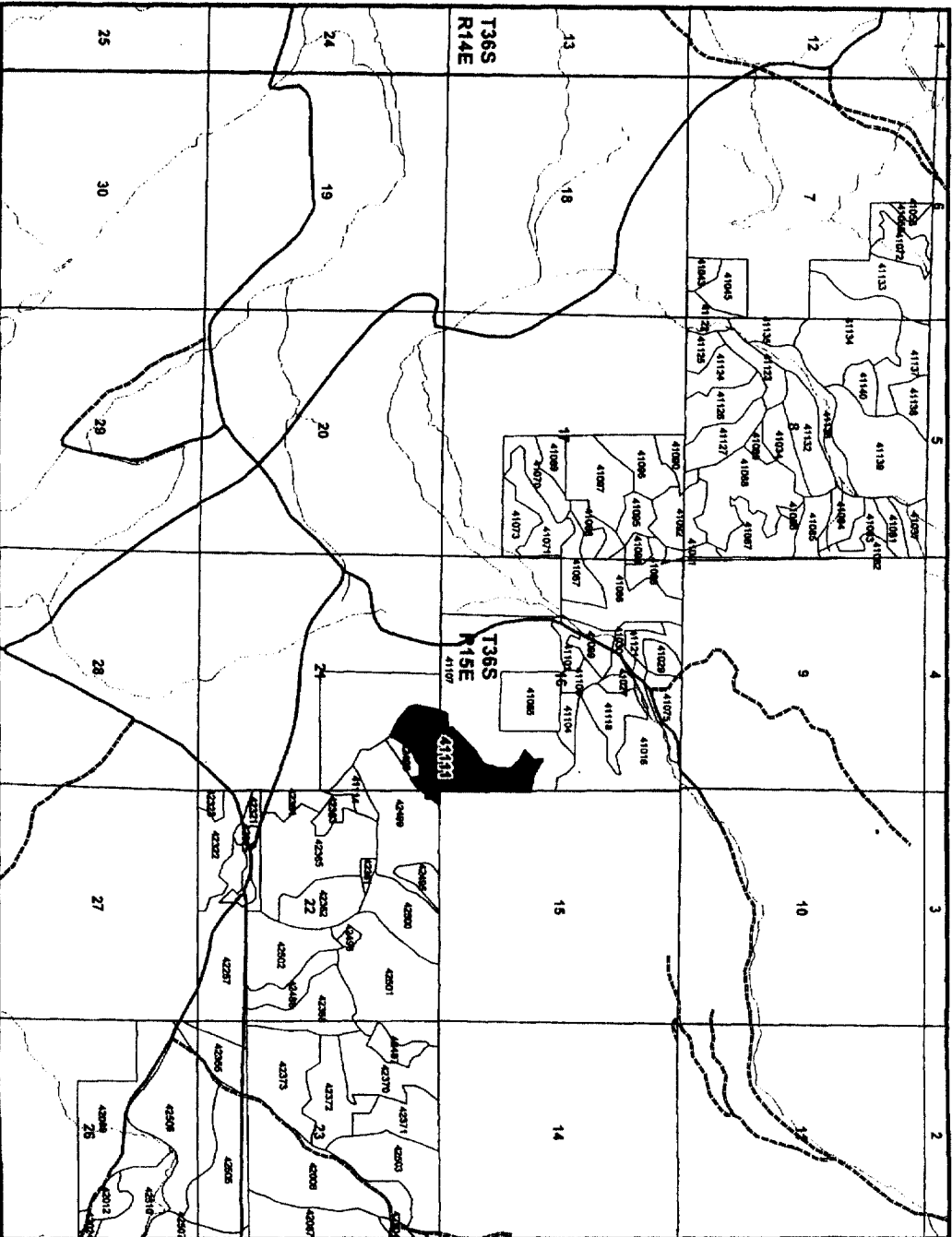
Legend

-  2004 Harvest Units
 All Stands
 MinorRoads
 MajorRoads
 Lakes
 Strm_Detail

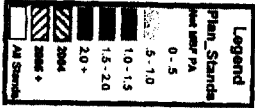
27

Scale 1:24,000

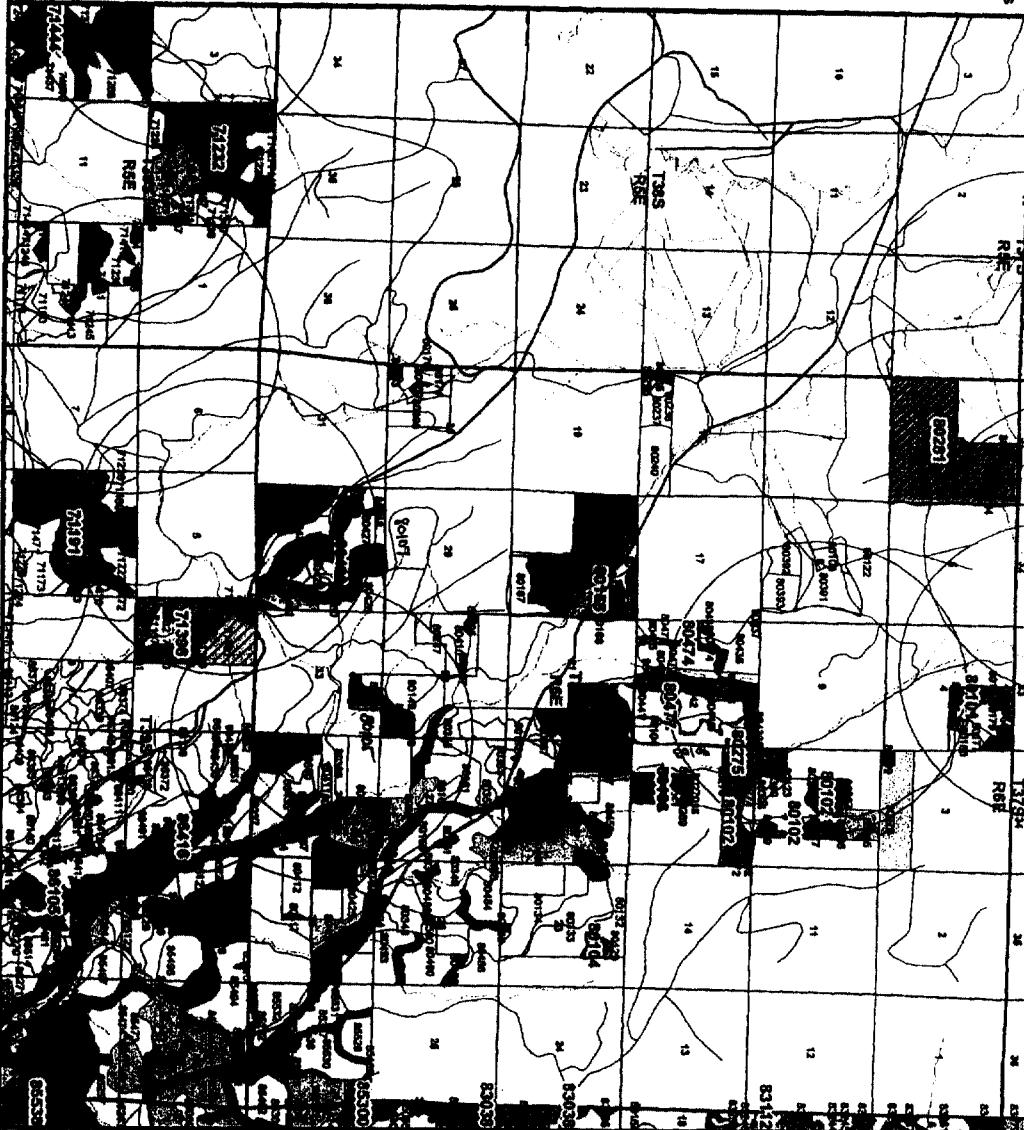
Mitchell 1.mxd
12/8/2003

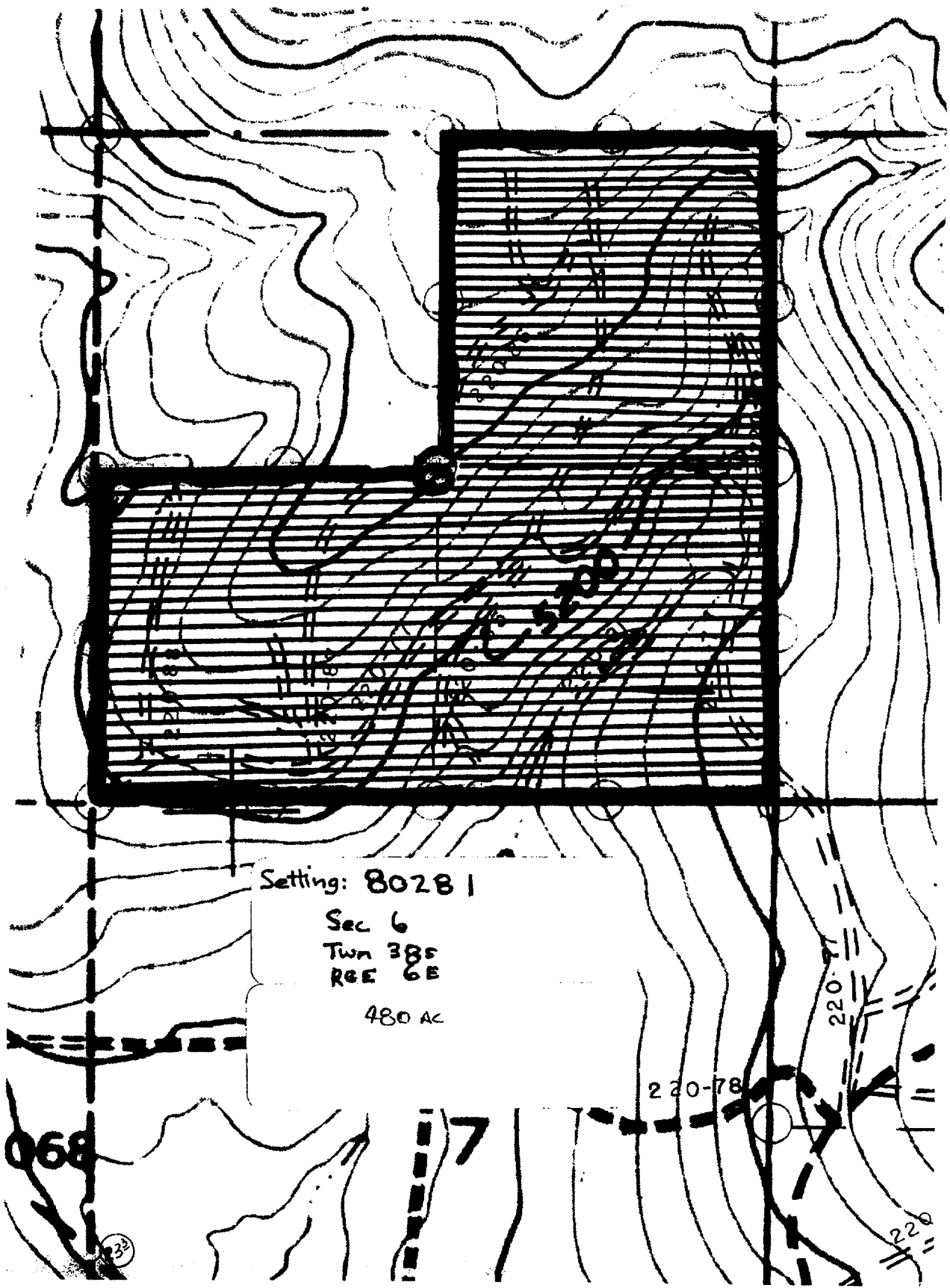


US Timberlands
2004 Plan
Clover Creek
Operating Plan
Units



Scale is 1:50,000





Setting: 80281

Sec 6

Twn 38S

RGE 6E

480 AC

068

7

220-78

220-77

220

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

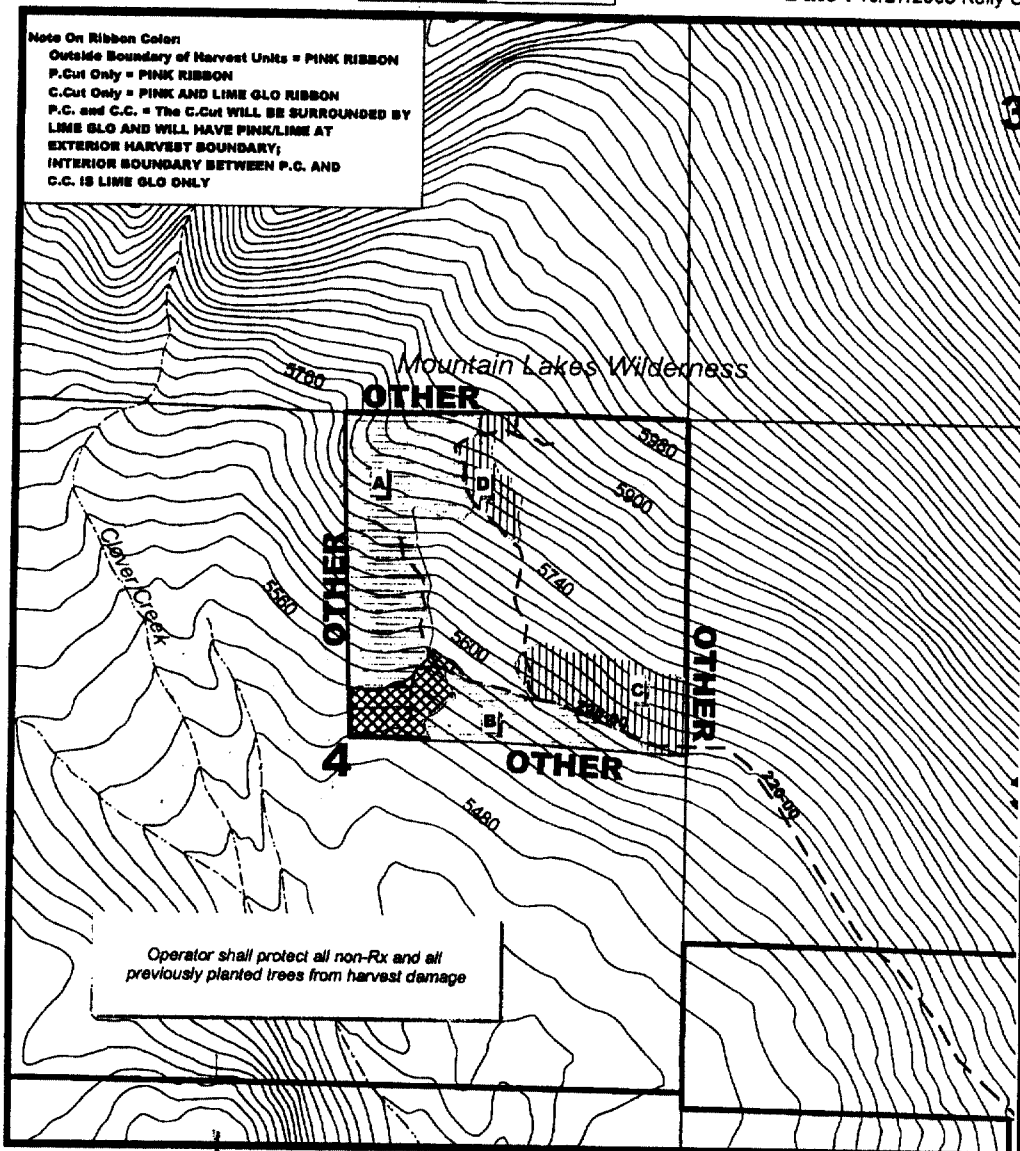
Section : 4

Map Scale 1:12000

Date : 10/27/2003 Kelly C.

Note On Ribbon Color:

Outside Boundary of Harvest Units = PINK RIBBON
P.Cut Only = PINK RIBBON
C.Cut Only = PINK AND LINE GLO RIBBON
P.C. and C.C. = The C.Cut WILL BE SURROUNDED BY
LINE GLO AND WILL HAVE PINK/LINE AT
EXTERIOR HARVEST BOUNDARY;
INTERIOR BOUNDARY BETWEEN P.C. AND
C.C. IS LINE GLO ONLY



Operator shall protect all non-Rx and all
previously planted trees from harvest damage

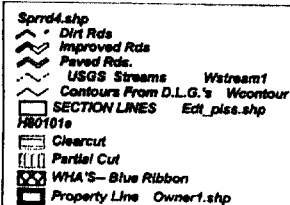
Imagery Information : 1997 IRS; Photo 03-24-35

Unit # Acres Harvest Prescription

"A"	36 ac.	C.Cut - Cut all species to minimum merch specs.; PROTECT all sub-Rx trees
"B"	12 ac.	C.Cut - Same Rx as "A"
"C"	16 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. specs. Do not cut any trees marked with orange "W"s
"D"	6 ac.	P.Cut - 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



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

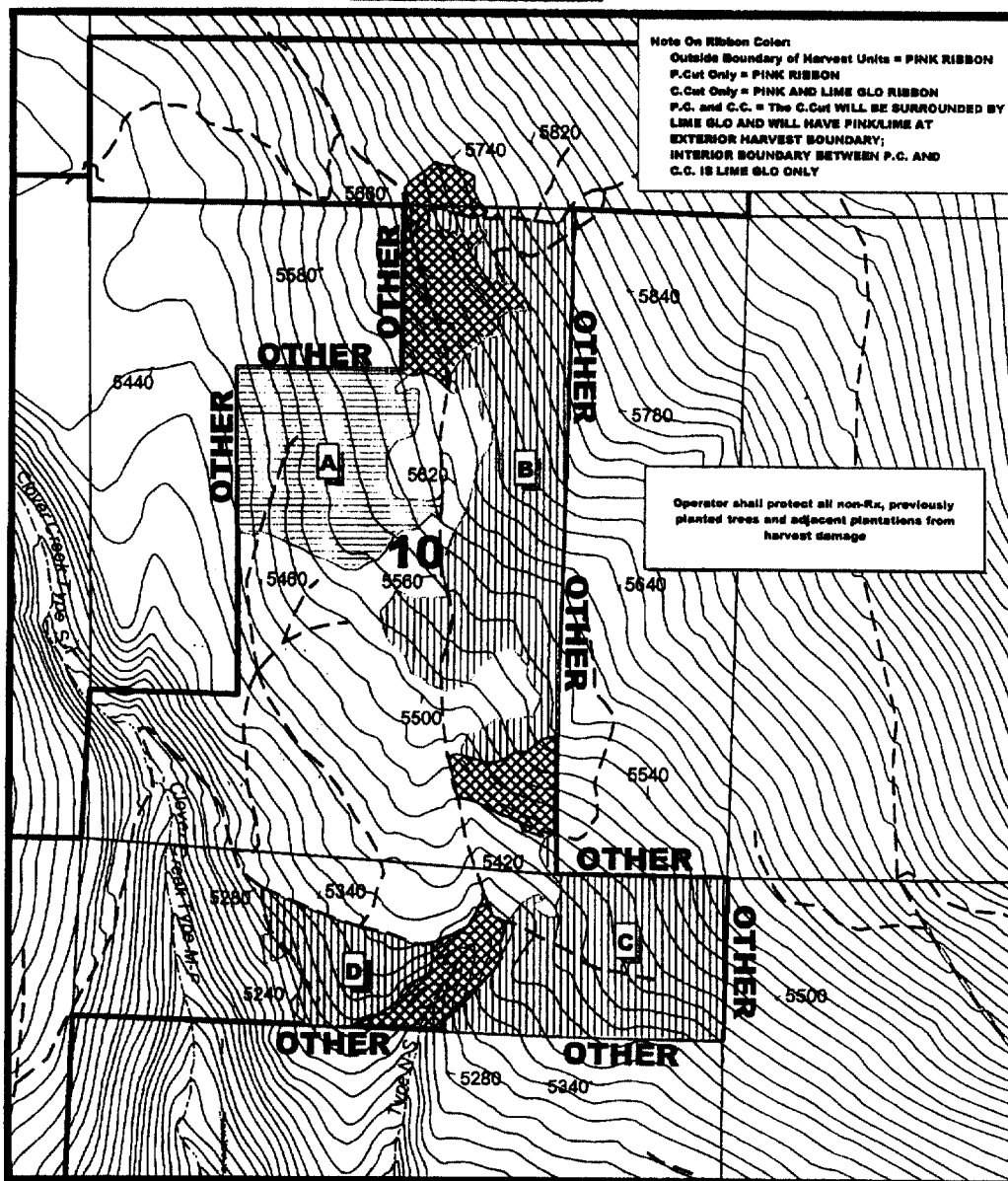
Plan 80102

Project : 2003 Harvest Units
 Setting Number:



Owner : U.S. Timberlands
 Township : 38S
 Range : 6E
 Section : 3, 10 & 15
 Map Scale : 1:12000
 Date : 10/27/2003 Kelly C.

1000 0 1000 Feet



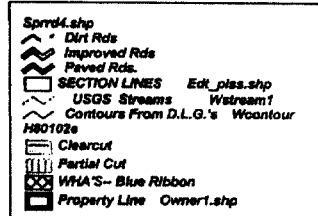
Imagery Information : 1997 IRS; Photos 03-25-30 & 31

Unit # Acres Harvest Prescription

"A"	45 ac.	C.Cut- Cut all species to minimum merch specs.; PROTECT all sub-Rx trees
"B"	76 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. specs.
"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



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

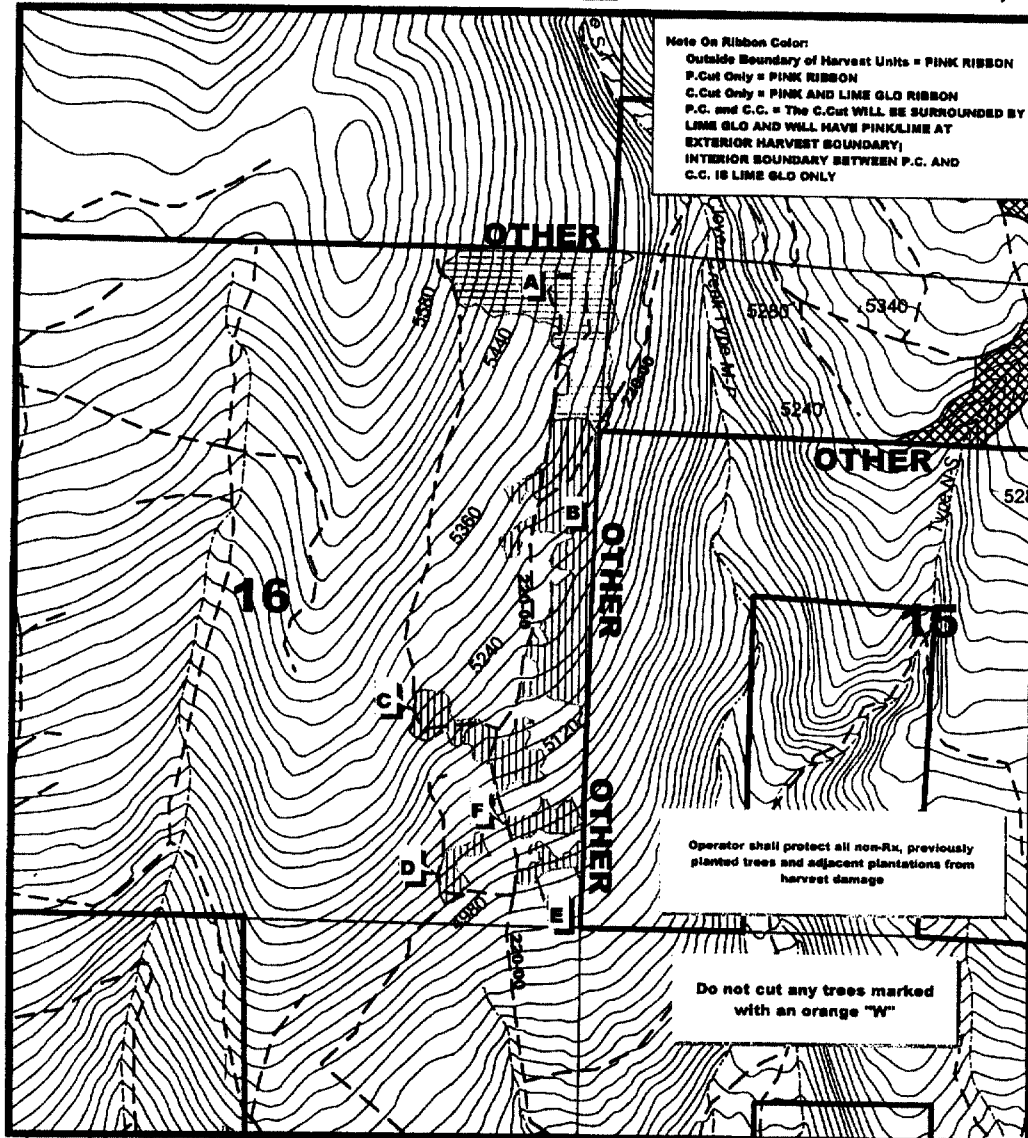
Plan 80103

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



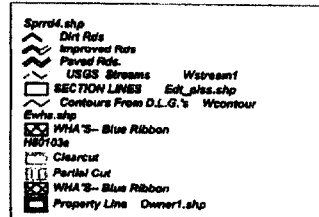
Imagery Information : 1997 IRS; Photos 03-24-32

Unit # Acres Harvest Prescription

"A"	23 ac.	C.Cut- Cut all species to minimum merch specs.; 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. merch. 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



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

Plan 80104

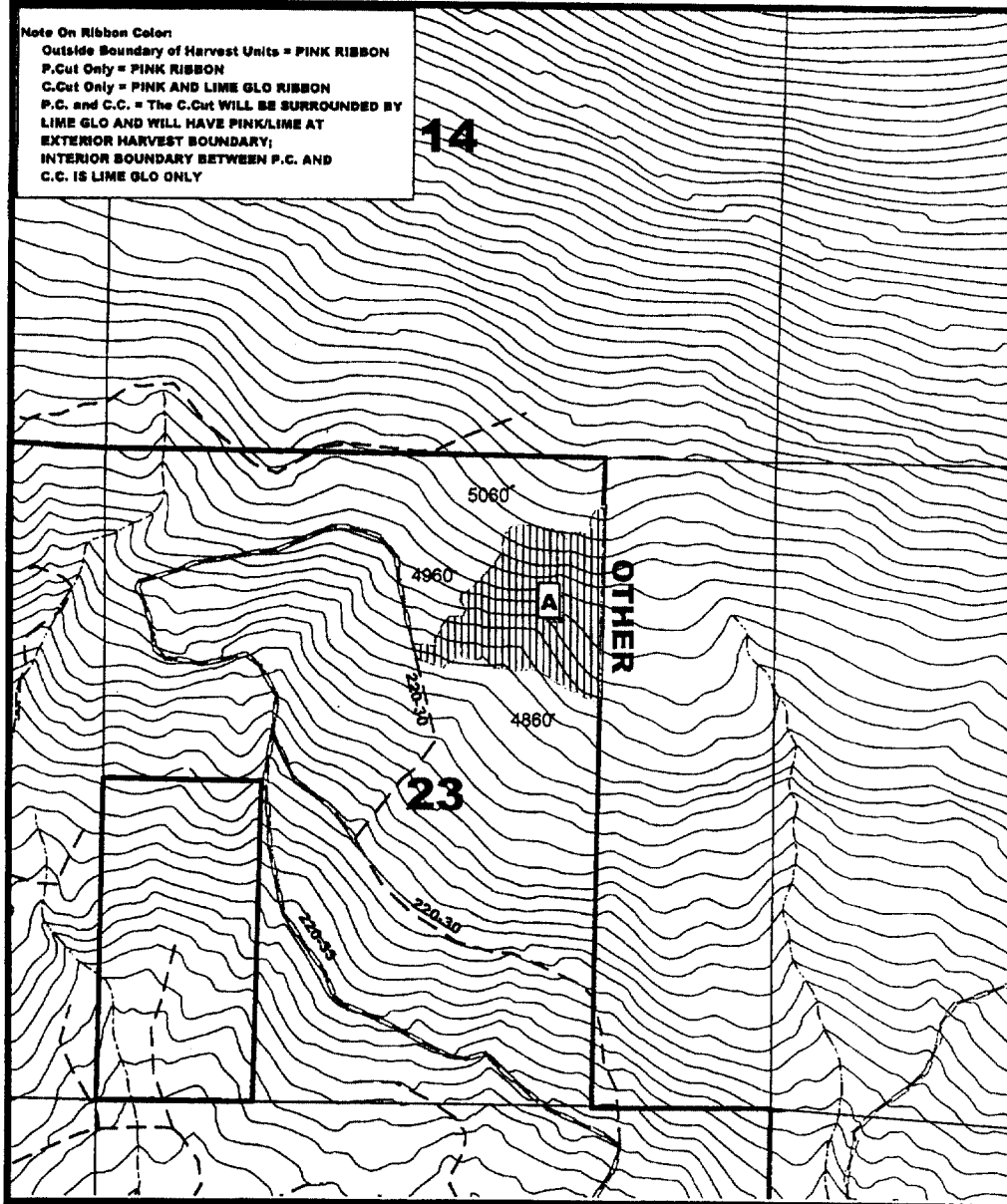
Project : 2002 Harvest Units
 Setting Number :



Owner : U.S. Timberlands
 Township : 38S
 Range : 6E
 Section : 23
 Map Scale : 1:12000
 Date : 8/15/2002 Kelly C.

1000 0 1000 Feet

Note On Ribbon Color:
 Outside Boundary of Harvest Units = PINK RIBBON
 P.Cut Only = PINK RIBBON
 C.Cut Only = PINK AND LIME GLO RIBBON
 P.C. and C.C. = The C.Cut WILL BE SURROUNDED BY
 LIME GLO AND WILL HAVE PINK/LIME AT
 EXTERIOR HARVEST BOUNDARY;
 INTERIOR BOUNDARY BETWEEN P.C. AND
 C.C. IS LIME GLO ONLY



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

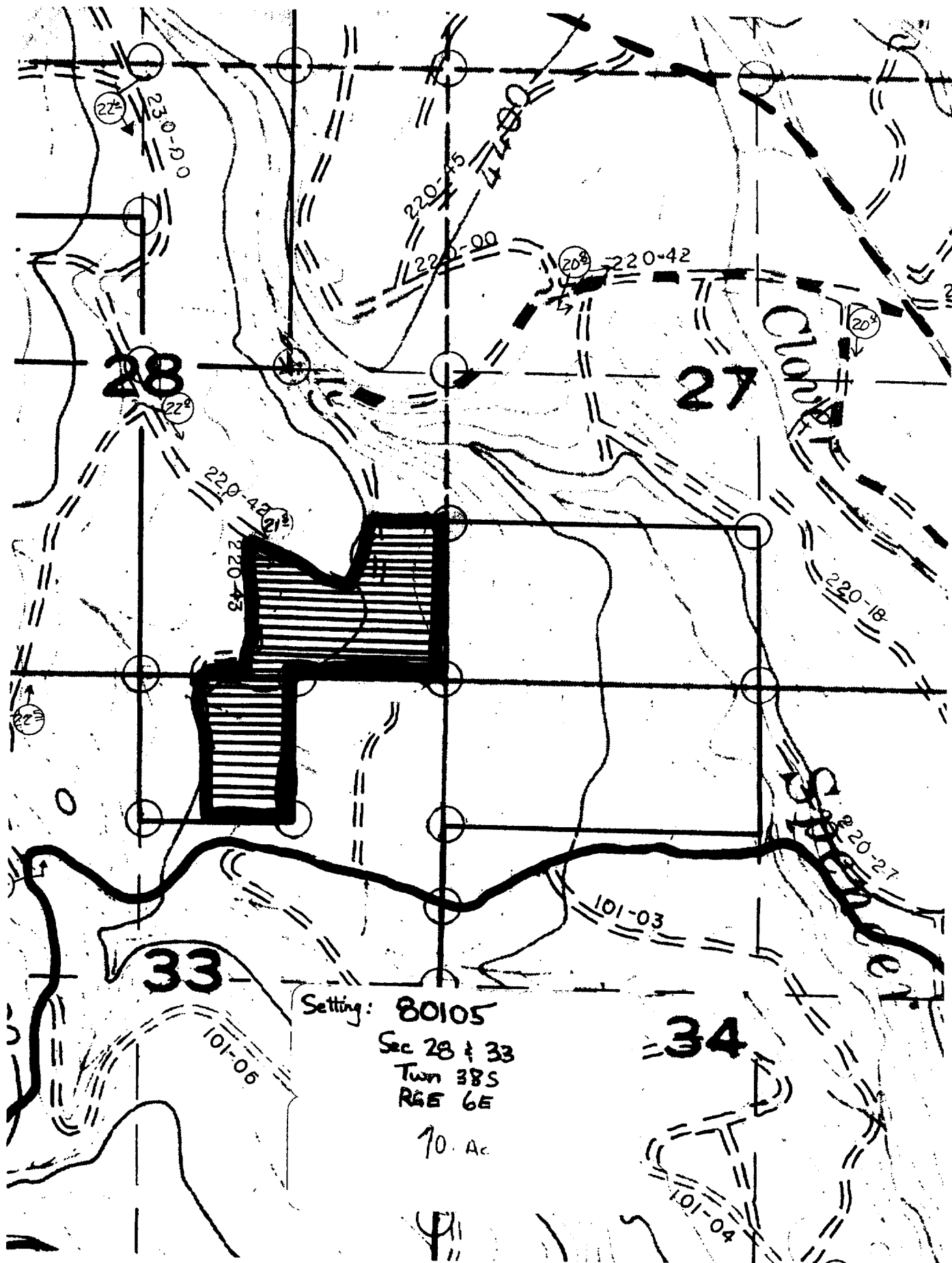
Unit # Acres Harvest Prescription

Unit #	Acres	Harvest Prescription
"A"	29 ac.	P.Cut/Spacing Cut -- Cut all spike top White Firs 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

Sprrd4.shp
 Dirt Rds
 Improved Rds
 Paved Rds.
 SECTION LINES Edt_plss.shp
 USGS Streams Wstream1
 Contours From D.L.G.'s Wcontour
 H80104e
 Partial Cut
 Property Line Owner1.shp

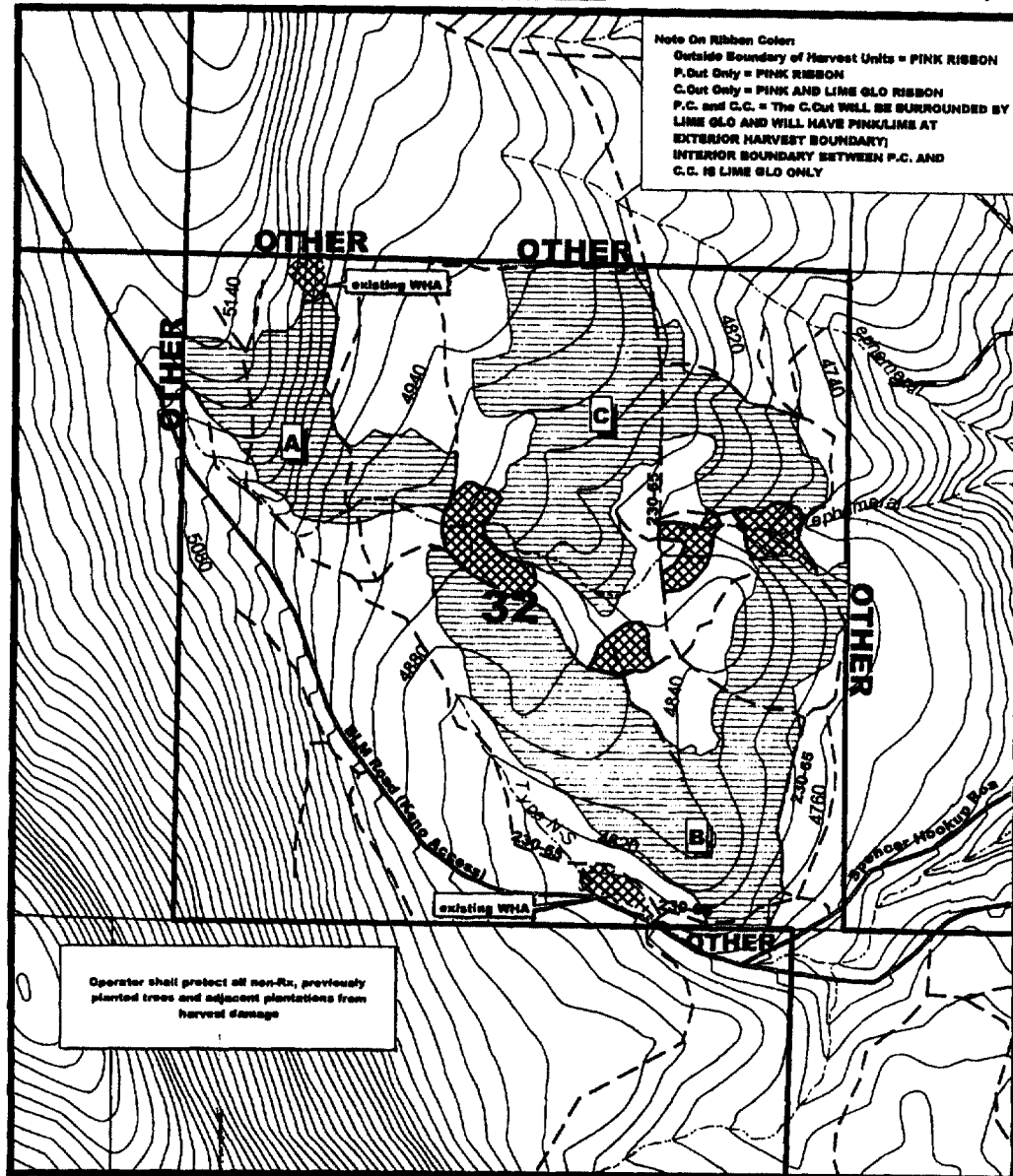


State : Oregon
 County : Klamath
 Tract : West District
 Operator :
 Start Date :
 Written Plan Req'd: NO

Plan 80107
 Project : 2003 Harvest Units
 Setting Number :



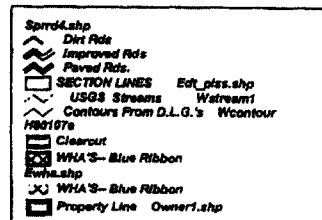
Owner : U.S. Timberlands
 Township : 38S
 Range : 6E
 Section : 32
 Map Scale : 1:12000
 Date : 11/04/2003 Kelly C.

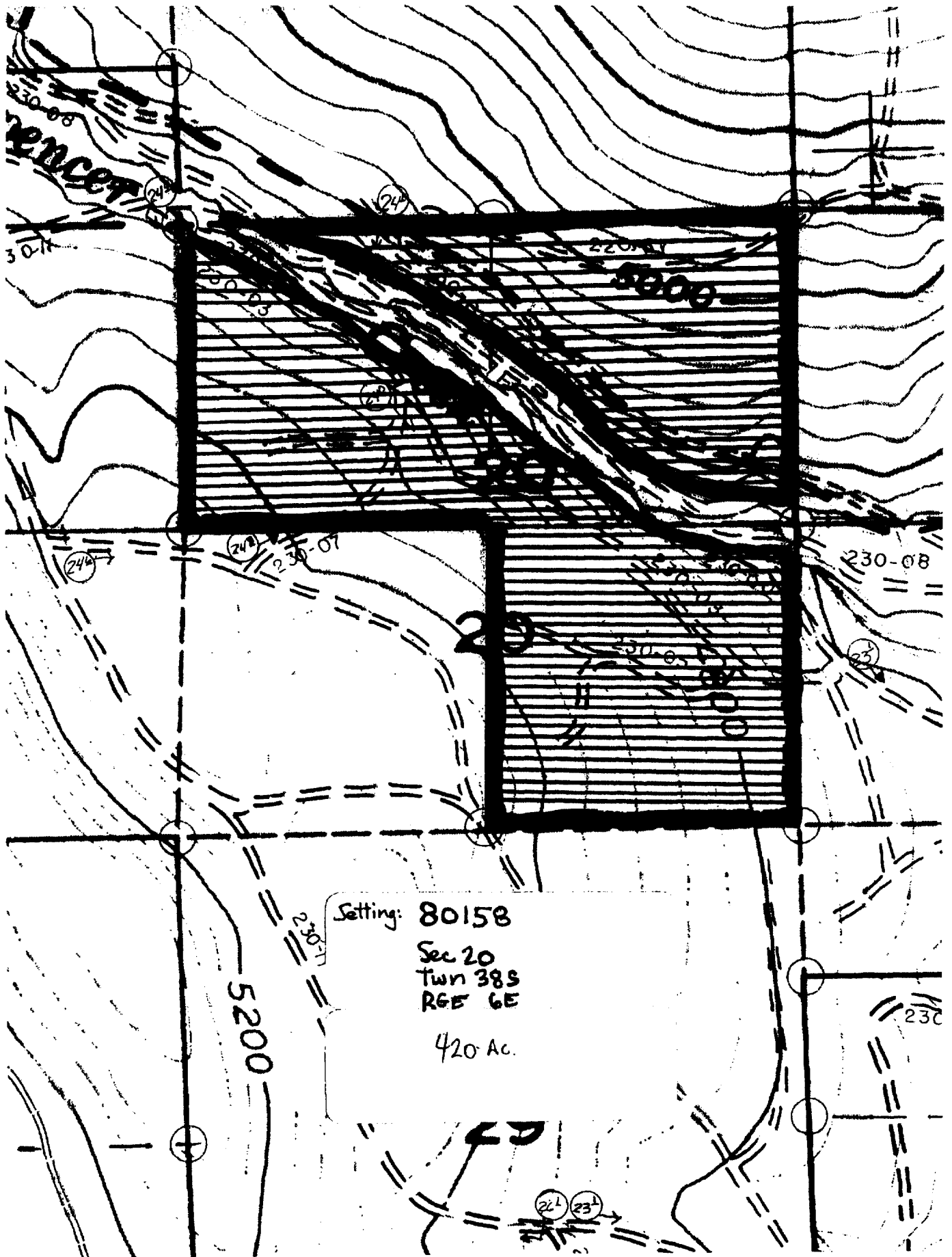


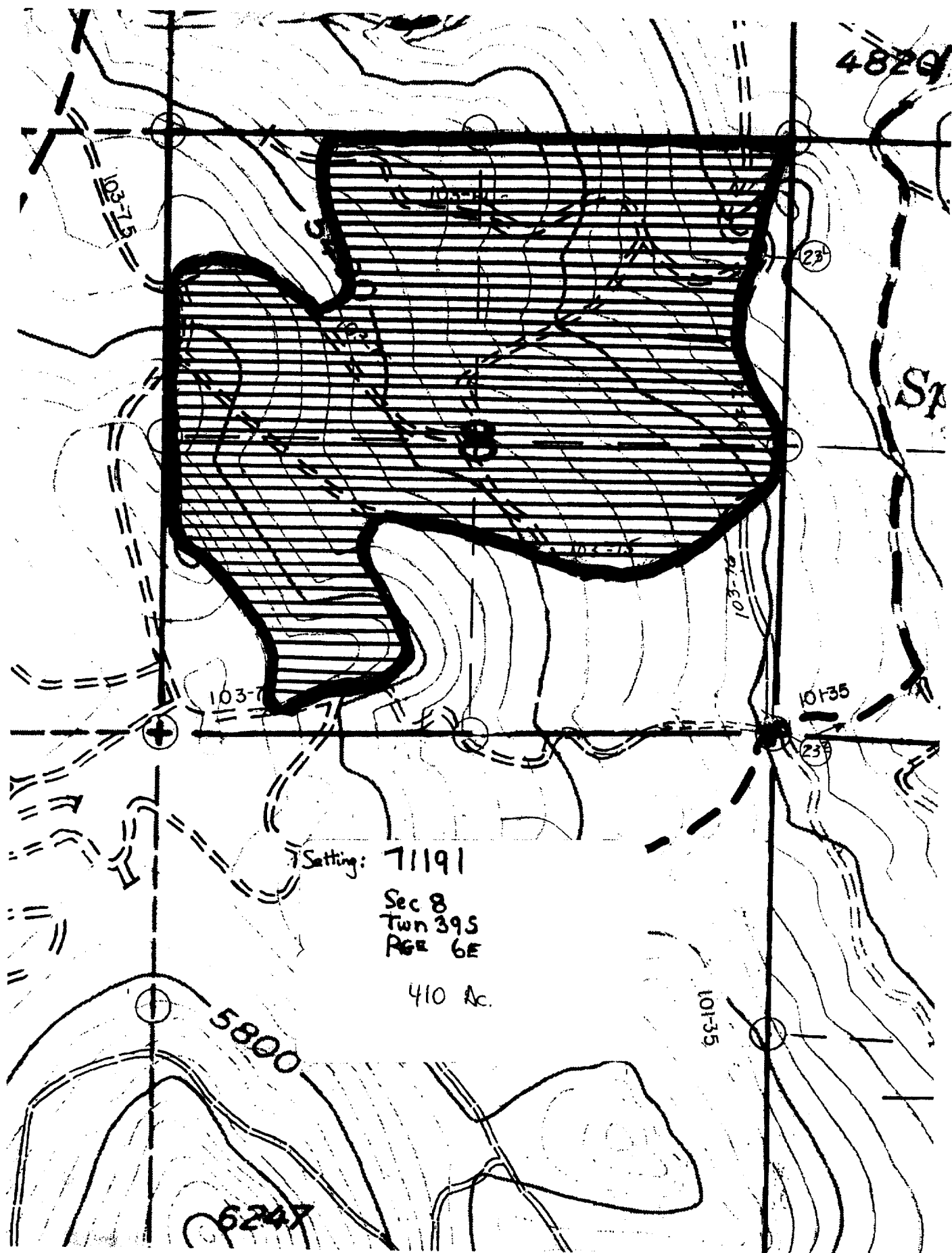
Imagery Information : 1997 IRS; Photos 03-23-23

Unit #	Acres	Harvest Prescription
"A"	43 ac.	C.Cut- Cut all species to minimum merch specs.; PROTECT all sub-Rx trees
"B"	101 ac.	C.Cut- Same Rx as "A"
"C"	89 ac.	C.Cut- Same Rx as "A"

Total Ac: 233 ac.
 FPA Requirements: Two Up: Within WHA's for units "A,B & C"
 Two Down: Two per acre req'd for units "A,B & C"
 Other







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

12/20/00 12:00 2541 850 8472

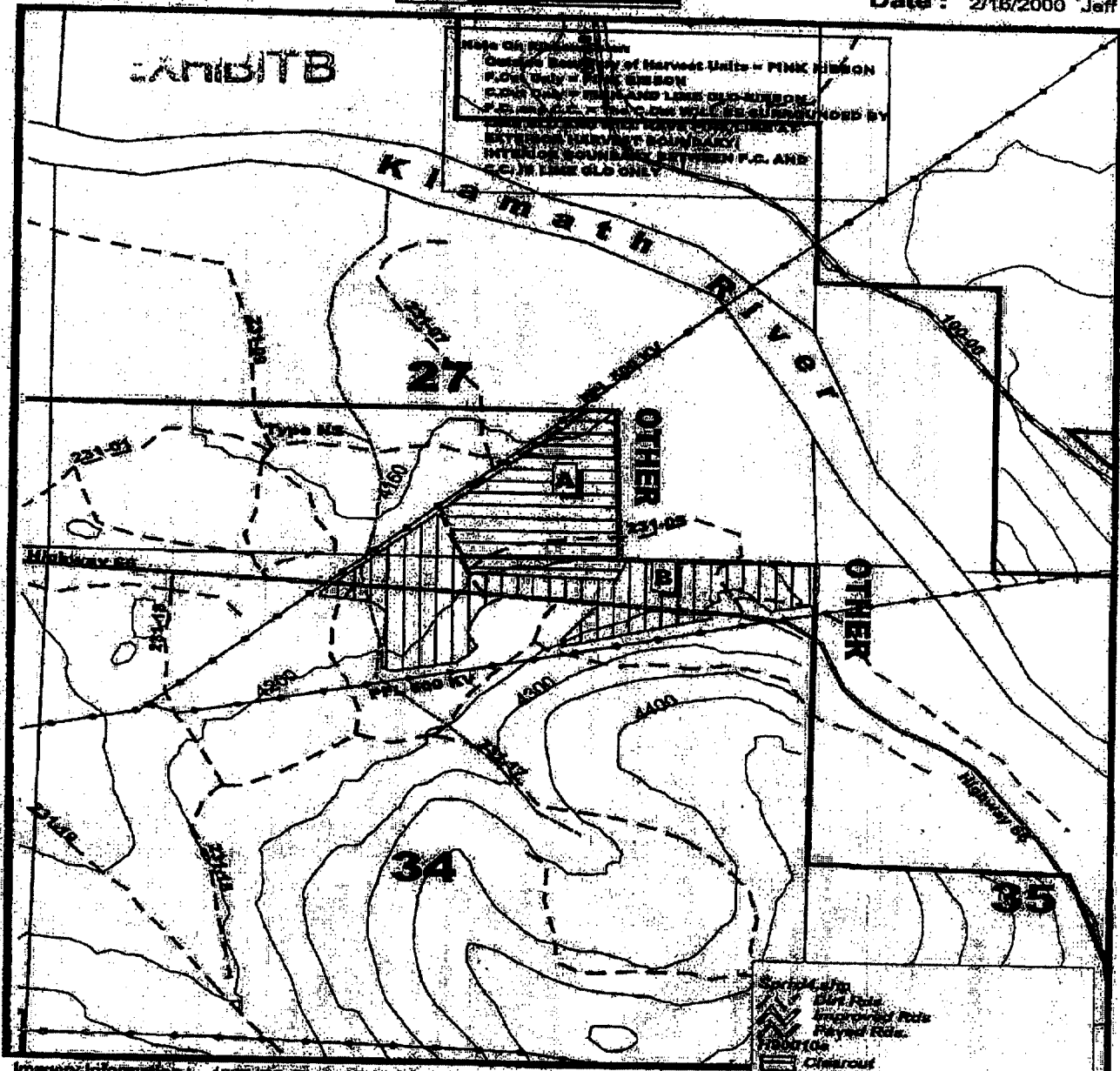
US TIMBERLANDS

0015/015

Plan 90010

Project : 2000 Harvest Units
 Setting Number :

Owner : U.S. Timberlands
 Township : 39S
 Range : 7E
 Section : 27, 34
 Map Scale 1:12000
 Date : 2/16/2000 Jeff V.



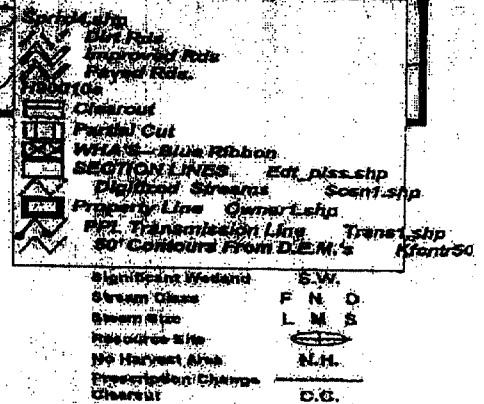
Imagery Information: 1007 Klamath 07-21-34

Unit # Acres Harvest Prescription

Unit #	Acres	Harvest Prescription
"A"	32 ac.	C.Cut - Cut all species to 10' DBH; PROTECT all 40' or less trees
"B"	42 ac.	P.Cut - Marked cut. Cut trees marked with a blue slash on 2 sides

Total Acc 74.00

FPA Requirements: Two Up: Will Tag within 15' Post Harvest
 Two Down: Two per acre req'd for unit "C"
 Other



12/29/03 12:52

0541 680 5472

US TIMBERLANDS

2009/015

State : Oregon

County : Harney

Tract : West District

Operator :

Start Date :

Written Plan Req'd: NO

Plan 86007

Project : 2000 Harvest Units

Setting Number :



Owner : U.S. Timberlands

Township : 39S

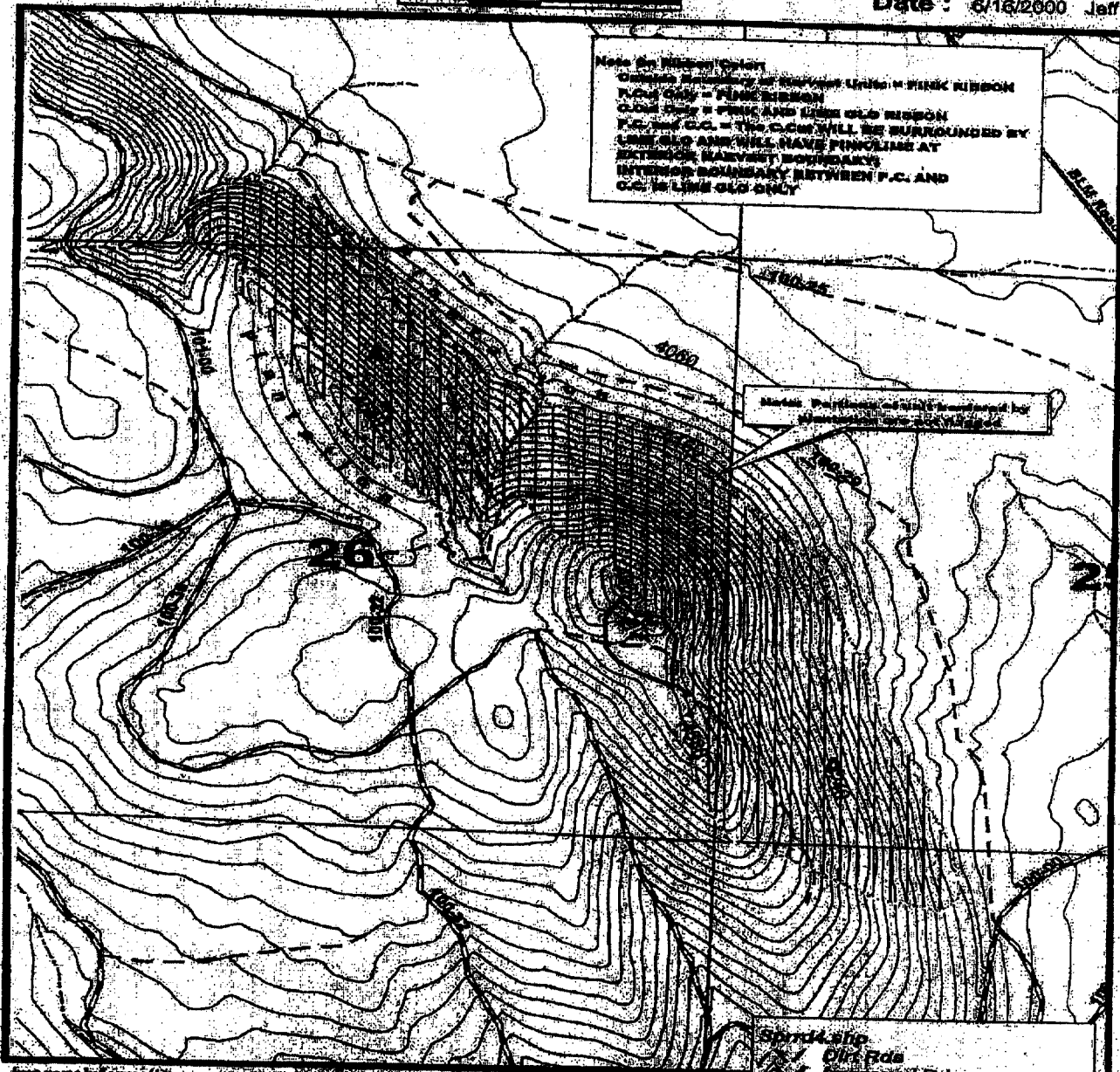
Range : 6E

Section : 23, 25, 26, 30

Map Scale 1:12000

Date : 6/16/2000 Jeff V.

1000 0 1000 Feet



Note on Harvest Unit:
 Harvest Boundary of Harvest Unit - PINK LINE
 P.C. - P.C. - P.C. - P.C.
 C.C. - C.C. - C.C. - C.C.
 P.C. and C.C. - The C.C. will be surrounded by
 Unit and will have pinlines at
 exterior harvest boundary
 interior boundary between P.C. and
 C.C. is line old only

Note: Portions of this map were
 prepared by
 Harney County, Oregon

Acreage Information: 1997 FRS, P.C. 23, 25, 26, 30

Unit # Acres Harvest Prescription

*A 210 ac P.C. - Yards
 12" x 16" D.B.F. W.H.
 14" x 16" D.B.F. W.H.
 All to 1/4" A.V. 25 Foot Spacing

Note: Use existing public roads and loadings
 Re-close existing road closures

EXHIBIT B

Total Ac: 210 ac

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

Symbol
 Old Rds
 Improved Rds
 Paved Rds.
 H85007e

SECTION LINES Edt. H85007e
 Contours From D.L.G.'s
 USGS Streams

Manitoba Wetland
 Forest Class
 Forest Size
 Resource Size
 No Harvest Area
 Prescription Change
 Closures

S.W.
 F N D
 L M S
 N.H.
 C.C.

SCHEDULE C

AFTER RECORDING, RETURN TO:

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

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

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:

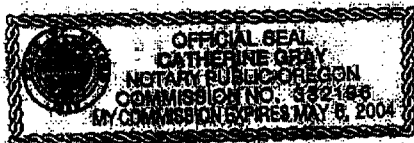
U.S. TIMBERLANDS KLAMATH FALLS,
L.L.C

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 5/4/04