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K-40 480
WARRANTY TIMBER DEED

Vol. 1788 Page 5320

CROWN PACIFIC, LTD., a corporation, Grantor, conveys and warrants to SCOTT TIMBER CO., Grantee, all of the timber, trees and logs of every kind and species, and all natural increases thereof, with a DBH of eleven (11") inches or more at time of cutting now or hereafter growing, standing, lying or being on the premises described in Exhibit A, attached hereto and incorporated herein by this reference.

TOGETHER WITH the full, free and unobstructed right, privilege and nonexclusive easement to construct and use all logging roads and ways upon said premises above described, and to conduct upon said premises any and all logging operations which may be necessary, convenient or proper for the removal of the forest products hereby conveyed, and to use said roads for the logging and removal of the trees and logs hereby conveyed, as well as for the movement of any other logs owned or otherwise acquired by the Grantee in the same vicinity. All of such rights are subject to the terms of a Contract for the Sale of Timber dated April 5, 1988 between Grantor and Grantee (the "Contract for the Sale of Timber").

TO HAVE AND TO HOLD said property, easements, rights and privileges unto the Grantee, its successors and assigns, for the term commencing with the date hereof and ending May 1, 1993.

And the Grantor does covenant to and with the Grantee, its successors and assigns, that the forest products hereby conveyed are free and clear of liens and encumbrances, except as

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listed in Exhibit A attached hereto and incorporated herein by this reference, that the Grantor will, and its successors and assigns shall, forever defend the same against the lawful claims and demands of any and all persons whomsoever.

In addition to the obligations and covenants contained in the Contract for the Sale of Timber, the Grantee, for itself, its successors and assigns does covenant to and with the Grantor, his heirs and assigns, as follows:

1. To complete the logging and removal of the forest products hereby conveyed on or before May 1, 1993. On May 2, 1993 any and all timber, trees or logs then standing or being on the premises above described shall be and become forthwith the property of the Grantor, its successors or assigns.

2. Upon written request at any time after May 1, 1993, the Grantee will execute and deliver to the Grantor, its successors or assigns, an appropriate quitclaim deed or deeds conveying any and all interest created by this instrument in said described premises and any and all interest created by this instrument in any timber, trees or other forest products standing, lying or being upon said described premises after May 1, 1993.

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The true consideration for this conveyance is Eight Million Seven Hundred Thousand Dollars (\$8,700,000).

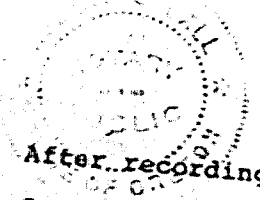
DATED this 5th day of April, 1988.

CROWN PACIFIC, LTD.

By Rogert L. Kraatz, Secretary

STATE OF OREGON)
County of MULTNOMAH) ss.

Personally appeared Rogert L. Kraatz, who, being duly sworn, did say that he is the Secretary of CROWN PACIFIC, LTD. and that said instrument was signed in behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.



Robert P. Ball
Notary Public for Oregon
My Commission Expires: 4/24/89

After recording return to:
Scott Timber Co.
P.O. Box 1088
Roseburg, Oregon 97470

01/05/0067-1/02

LAKE COUNTY

The following described real property situate in the County Lake, State of Oregon:

PARCEL 1:

Township 25 South, Range 12 East of the Willamette Meridian:

- Section 28: NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 29: S $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 30: S $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 31: Government Lot 1.
- Section 32: N $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 33: S $\frac{1}{4}$ N $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 34: SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{4}$ S $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.

Township 26 South, Range 12 East of the Willamette Meridian:

- Section 1: Government Lots 1, 2, 3, and 4.
- Section 2: SW $\frac{1}{4}$.
- Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{4}$.
- Section 4: Government Lots 7, 8, 9, 10, S $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 5: Government Lots 1, 2, 3, 4, 11, 12, SW $\frac{1}{4}$, S $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 6: Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 14, NE $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 10: E $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 11: NE $\frac{1}{4}$, S $\frac{1}{4}$.
- Section 13: NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 14: W $\frac{1}{4}$ E $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$.
- Section 15: All of Section.
- Section 16: All of Section.
- Section 22: NE $\frac{1}{4}$, W $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 23: NE $\frac{1}{4}$, N $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 24: N $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 25: NW $\frac{1}{4}$ NW $\frac{1}{4}$.
- Section 26: NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 27: All of Section.
- Section 34: E $\frac{1}{4}$.
- Section 35: N $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 36: All of Section.

Township 26 South, Range 13 East of the Willamette Meridian:

- Section 18: Government Lots 1, 2, 3, 4, E $\frac{1}{4}$ W $\frac{1}{4}$.
- Section 19: All of Section.
- Section 30: E $\frac{1}{4}$ NW $\frac{1}{4}$.

Township 27 South, Range 12 East of the Willamette Meridian:

- Section 1: All of Section.
- Section 2: Government Lots 1, 3, 4, S $\frac{1}{4}$ N $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{4}$ N $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$, S $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 4: Government Lot 1.
- Section 11: N $\frac{1}{4}$ N $\frac{1}{4}$.
- Section 12: N $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$.

Township 27 South, Range 13 East of the Willamette Meridian:

Section 9: E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
 Section 16: N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.

PARCEL 2:

Beginning at a point of intersection of the East line of a County Road running along the West line of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, with South line of County Road running East and West, which point is 340 feet South and 30 feet East of the Northwest corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 22; thence running East along the South line of the County Road to a point which is the Northwest corner of a tract of land described in Book 64 page 191 of the Record of Deeds, thence South along the West line of said Tract, 115 feet to the Southwest corner thereof; thence East along the extended South line of said Tract, 260 feet to a point; thence South along the West margin of those tracts described in Book 170 at page 114, Book 171 at page 182, Book 121 at page 473 and Book 171 at page 181 of the Record of Deeds for Lake County, Oregon, to a point on the South line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22; thence West along the South line of said NW $\frac{1}{4}$ SW $\frac{1}{4}$ to a point on the East margin of the County Road along the West side of said NW $\frac{1}{4}$ SW $\frac{1}{4}$; thence North along the East margin of said County Road 80 feet, more or less, to the Southwest corner of a tract of land described in Book 172 at page 277 of the Record of Deeds; thence East 209 feet to the Southeast corner of said Tract; thence North 209 feet to the Northeast corner of said Tract; thence West 209 feet to a point on the East margin of the County Road; thence North along the East margin of said County Road, 705 feet more or less, to the point of beginning. EXCEPTING THEREFROM, the following described parcels, to wit:

Beginning at a point 1045 feet South and 269 feet West of the Northeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence South 209 feet; thence West 104 $\frac{1}{2}$ feet; thence North 209 feet; thence East 104 $\frac{1}{2}$ feet to the place of beginning. (Book 66 page 602 R/D)

Beginning at a point 1045 feet South and 807 feet West of the Northeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 209 feet; thence West 209 feet; thence North 209 feet; thence East 209 feet to the point of beginning. (Book 66 page 17 R/D.)

ALSO EXCEPTING THEREFROM, that portion of the following described property, lying within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, described as follows: Beginning at a point 1314 feet South and 1076 feet West of the Northeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 209 feet; thence West 209 feet; thence North 209 feet; thence East 209 feet to the place of beginning. (Book 66 page 16 R/D.)

ALSO EXCEPTING THEREFROM, that portion of the following described property lying within the NW¼SW¼ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, described as follows: Beginning at a point 1314 feet South and 963 3/4 feet West of the Northeast corner of the NW¼SW¼ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 104½ feet; thence East 52½ feet; thence South 104½ feet; thence West 104½ feet; thence North 209 feet; thence East 52½ feet to the place of beginning. (Deed Book 64 page 194 R/D.)

Subject to the following exceptions:

1. The assessment roll and the tax roll disclose that the within described premises were specially assessed as farm land. Taxes for the year 1987-88, and possibly prior years have been deferred pursuant to ORS 308.370 to 308.403. These, plus earned interest are due and payable when said reason for the deferment no longer exists.
2. Location of power and telephone lines and public streets as the same may now exist, covering Parcel No. 2 herein.
3. Joint use easement, including the terms and provisions thereof, between The Shavlin-Hixon Company, a Delaware corporation, and Gilchrist Timber Co., a Delaware corporation, dated August 12, 1943, recorded October 16, 1943, in Volume 90 page 187, Deed records of Lake County, Oregon, which said easement was assigned to Brooks-Scanlon, Inc., a corporation, as successor to The Shavlin-Hixon Company, by instrument recorded March 5, 1951, in Volume 109 page 504, Deed records of Lake County, Oregon.
By Assignment and Agreement, including the terms and provisions thereof, dated October 8, 1986, recorded February 6, 1987, in Volume 206 page 281, Deed records of Lake County, Oregon, whereby Diamond International Corporation assigns to Diamond Group Inc.
4. Easement for roadway and telephone transmission line, including the terms and provisions thereof, granted to United States of America by instrument recorded September 6, 1960, in Volume 130 page 42, Deed records of Lake County, Oregon, as corrected by instrument recorded December 20, 1960, in Volume 131 page 398, Deed records of Lake County, Oregon.
5. Easement for road, including the terms and provisions thereof, given by United States of America dated February 5, 1968, recorded February 23, 1968, in Volume 148 page 134, Deed records of Lake County, Oregon. Affects NW¼NW¼, NE¼NW¼, SE¼NW¼, SW¼NE¼, NE¼SW¼, NW¼SE¼, SW¼SE¼ Sec. 16 Twp. 27 S., R. 13 E.W.M.
6. Easement for roadway, including the terms and provisions thereof, granted to United States of America by instrument, dated March 22, 1968, recorded March 25, 1968, in Volume 148 page 268, Deed records of Lake County, Oregon. Affects SE¼SW¼ of Sec. 9 Twp. 27 S., R. 13 E.W.M.

7. Temporary Right of Way, including the terms and provisions thereof, granted to United States of America by instrument dated May 12, 1970, recorded May 21, 1970, in Volume 155 page 389, Deed records of Lake County, Oregon. Said grant to expire upon the termination of a certain timber sale agreement. Affects S½SW¼, SW¼SE¼ Sec. 15 and S½S¼, NW¼SW¼ Sec. 16 Twp. 26 S., R. 12 E.W.M.

8. Easement for roadway, including the terms and provisions thereof, granted to United States of America by instrument, dated January 8, 1971, recorded February 16, 1971, in Volume 157 page 205, Deed records of Lake County, Oregon. Affects N½NW¼, SE½NW¼, NE½SW¼, NW¼SE¼, SW¼SE¼ of Sec. 16 Twp. 27 S., R. 13 E.W.M.

9. Easement for roadway, including the terms and provisions thereof, granted to United States of America by instrument dated September 26, 1972, recorded October 2, 1972, in Volume 162 page 9, Deed records of Lake County, Oregon. Affects SW¼SW¼ Sec. 4 and S½SE¼ Sec. 5 Twp 26 S., R. 12 E.W.M.

Number 10 intentionally omitted

11. This policy does not include a search for financing statements filed in the office of the Secretary of State, or in a county other than the county wherein the premises are situated, and no liability is assumed if a financing statement is filed in the office of the County Clerk covering timber on the premises wherein the land is described other than by metes and bounds or under the rectangular survey system.

NOTE: Taxes for 1987-88 are paid in full.

KLAMATH COUNTY

The following described real property situate in Klamath County, Oregon:

Township 23 South, Range 10 East of the Willamette Meridian

Section 1: Government Lots 1, 2, 3 and 4, S½NE¼, SW¼NW¼, S½
 Section 2: SE½SE¼
 Section 11: NE½NE¼
 Section 12: N½, NE½SE¼
 Section 13: NE½NE¼
 Section 24: E½E¼, SW¼SE¼
 Section 25: NW¼NE¼, NE½NW¼
 Section 36: N½NE¼, SW¼NE¼

Township 23 South, Range 11 East of the Willamette Meridian

Section 5: All
 Section 6: All
 Section 7: All
 Section 8: All
 Section 17: All
 Section 18: All
 Section 19: All
 Section 20: All
 Section 26: All
 Section 27: All
 Section 28: All
 Section 29: All
 Section 30: All
 Section 31: Governments Lots 1 thru 9, 16 thru 20, E½
 Section 32: All
 Section 33: All
 Section 34: All
 Section 35: All
 Section 36: All

Township 24 South, Range 11 East of the Willamette Meridian

Section 2: All
 Section 3: All
 Section 4: All
 Section 5: All
 Section 8: All
 Section 9: All
 Section 10: All
 Section 11: All
 Section 15: All
 Section 16: All
 Section 17: N½

Township 25 South, Range 11 East of the Willamette Meridian

Section 25: SE½SE¼
 Section 36: All

Subject to the following exceptions:

1. The assessment roll and the tax roll disclose that the within described premises were specially assessed as Forest Land. Taxes for the year 1987-88 and possibly prior years have been deferred pursuant to ORS 321.805 to 321.810. These, plus earned interest are due and payable when said reason for the deferment no longer exists.
2. Rights of the public in and to any portion of said premises lying within the limits of roads and highways.

3. Reservations and restrictions, including the terms and provisions thereof, contained in various Patents recorded on herein described property, as to mineral rights.
4. Transmission Line Easement, including the terms and provisions thereof, given by Brooks-Scanlon, Inc., to the United States of America, dated November 21, 1951, in Volume 251 page 320, Deed records of Klamath County, Oregon.
5. Easement, including the terms and provisions thereof, given by Brooks-Scanlon, Inc., to United States of America, dated November 2, 1966, recorded November 28, 1966, in Volume M66 page 11989, Deed records of Klamath County, Oregon.
- Consent and Subordination Agreement, given by Gilchrist Timber Company, dated May 12, 1967, recorded May 18, 1967, in Volume M67 page 3716, Deed records of Klamath County, Oregon.
6. Easement created by instrument, including the terms and provisions thereof, in favor of United States of America, dated June 15, 1972, recorded July 11, 1972, in Volume M72 page 7511, Deed records of Klamath County, Oregon for 125 foot wide electric transmission line easement across NE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25, Twp. 23 S. R. 10 E.W.M.
7. Reservations and restrictions in Patent, recorded July 1, 1982, in Volume M82 page 8360, Deed records of Klamath County, Oregon.
8. Easement, including the terms and provisions thereof, given by Diamond International Corporation, to the United States of America, dated September 9, 1982, recorded September 27, 1982, in Volume M82 page 12768, Deed records of Klamath County, Oregon.
9. Right of Way Construction and Use Agreement, including the terms and provisions thereof, from Diamond International Corporation to the United States of America, recorded November 22, 1982, in Volume M82 page 15513, Deed records of Klamath County, Oregon.
10. Right of Way Easement, for Electric Line, including the terms and provisions thereof, given by Diamond International, to Midstate Electric Cooperative, Inc., dated April 12, 1983, recorded May 5, 1983, in Volume M83 page 7103, Deed records of Klamath County, Oregon, over the NE $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 1 Twp. 23 S.R. 10 E.W.M.
- Number 11 intentionally omitted
12. Easement, including the terms and provisions thereof, given by Diamond Group Inc., to William L. Childers, dated February 20, 1985, recorded April 10, 1985, in Volume M85 page 5164, Deed records of Klamath County, Oregon.
13. Easement, including the terms and provisions thereof, given by Diamond Group Inc., to Pacific Northwest Bell Telephone Company, dated March 9, 1988, recorded October 9, 1988, in Volume M88 page 3288, Deed records of Klamath County, Oregon.

NOTE: Taxes for 1987-88 are paid in full.

EXHIBIT A - PAGE 6

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 8th day
of April A.D., 1988 at 9:55 o'clock A M., and duly recorded in Vol. M88
of Deeds on Page 5320
FEE \$50.00
By Evelyn Biehn County Clerk
Bernetha A. Helch