

35583

K-43517
TIMBER DEED

Vol. M-91 Page 20384

GILCHRIST TIMBER COMPANY, a Delaware corporation ("Grantor"), for and in consideration of FIVE MILLION DOLLARS (\$5,000,000.00) in hand paid, conveys and warrants to CROWN PACIFIC, LTD., an Oregon corporation ("Grantee"), the right to harvest up to a cumulative maximum of 30 million board feet net scale of the species Ponderosa Pine, using east side short log Scribner decimal C, Ponderosa Pine grading rules (the "Timber"), located on the real property described on Exhibit A attached hereto, situated in Klamath County, Oregon (the "Property").

Grantor agrees to allow Grantee access to the Property to the extent necessary or desirable to permit removal of the Timber, including, without limitation, use of Grantor's access rights under all easements of record. Grantee agrees to pay all costs related to the repair and maintenance of any access roads used by Grantee incurred as a direct result of Grantee's logging activities.

Grantee's right to harvest the Timber pursuant to this Timber Deed shall expire on October 4th, 1994; provided, however, that such date shall be extended by the number of days, if any, that harvesting is prevented by acts of God, insurrection, riot, labor disputes, governmental order or other causes beyond Grantee's reasonable control. Upon expiration of Grantee's right to harvest the Timber, all timber remaining on the Property shall revert to and become the property of Grantor, and the rights of Grantee therein shall expire. Upon completion by Grantee of all cutting and logging operations on the Property, but in no event later than the date upon which its right to harvest the Timber expires, Grantee shall deliver to Grantor a quitclaim deed reconveying Grantee's timber rights in and to the Property to Grantor.

Grantee shall pay any harvest and/or severance tax resulting from the harvest of the Timber. Grantor shall be responsible for all real property taxes and assessments on the Property.

The Timber is conveyed subject to the matters described on Exhibit B attached hereto.

The Timber is conveyed upon the following additional terms:

(a) Grantee shall comply with all applicable laws, rules, and regulations in removing the Timber, including without limitation the Oregon Forest Practices Act.

(b) Grantor shall be solely responsible for any reforestation obligations applicable to Grantee's removal of the Timber.

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(c) Grantee accepts the Timber in its present condition, AS IS. Grantee acknowledges that Grantor has made no representations or warranties, express or implied, except as contained herein, with respect to the Timber, and Grantee confirms that it has not relied upon any representations or warranties of Grantor regarding the quality or quantity of Timber on the Property.

(d) Grantee shall promptly discharge any and all liens, claims, and liabilities arising out of or resulting from its logging activities with respect to the Property, and shall protect Grantor and Grantor's property from any such liens, claims, and liabilities.

(e) Grantee shall, to the extent reasonably practicable, minimize damage to non-merchantable timber on the Property in connection with its removal of the Timber.

(f) The Timber shall be scaled by an independent third party scaler designated by Grantee, according to the customary standards of the industry, at Grantee's expense. Grantee shall within five (5) days after issuance deliver copies of all scaling tickets to Grantor.

(g) If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Timber Deed or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys' fees, paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

The interests, rights, and obligations under this Timber Deed are transferable and shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Grantee is entitled to mortgage or otherwise grant security interests in the Timber and Grantee's interests and rights under this Timber Deed.

DATED this 22nd day of October, 1991.

Grantor:

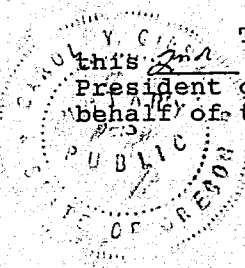
GILCHRIST TIMBER COMPANY, a
Delaware corporation

By Charles F. Shotts
Charles F. Shotts, President

Grantee:

CROWN PACIFIC, LTD., an Oregon corporation

By

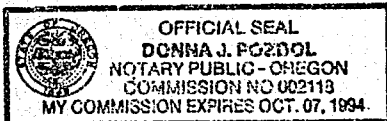
Roger L. Krage
Roger L. Krage, SecretarySTATE OF OREGON)
) ss.
County of Multnomah)


The foregoing instrument was acknowledged before me on this 2nd day of October, 1991 by Charles F. Shotts, who is the President of Gilchrist Timber Company, a Delaware corporation, on behalf of the corporation.

Carol Y. Lukson
Notary Public for Oregon
My Commission Expires: 6-7-92

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on this 2nd day of October, 1991 by Roger L. Krage, who is the Secretary of Crown Pacific, Ltd., an Oregon corporation, on behalf of the corporation.



Donna J. Fordol
Notary Public for Oregon
My Commission Expires: 10/07/94

AGREEMENT OF SUCCESSOR IN INTEREST

The undersigned, Crown Pacific (Oregon) Limited Partnership, an Oregon limited partnership ("CPLO"), agrees that, effective upon its acquisition of title to the Property from Grantor, CPLO shall, and it hereby does, (i) assume all obligations of the Grantor under this Timber Deed and (ii) indemnify and hold Grantor harmless from and against all such obligations.

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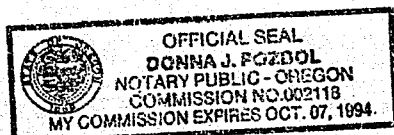
CROWN PACIFIC (OREGON) LIMITED
PARTNERSHIP, an Oregon limited
partnership

By: CROWN PACIFIC, LTD., its
General Partner

By *Roger L. Krage*
Roger L. Krage, Secretary

STATE OF OREGON)
) ss.
County of Multnomah)

The foregoing instrument was acknowledged before me on
this 2nd day of October, 1991 by Roger L. Krage, who is the
Secretary of Crown Pacific, Ltd., an Oregon corporation, the
general partner of Crown Pacific (Oregon) Limited Partnership, an
Oregon limited partnership, on behalf of the partnership.



W76/1370192-06/08

Donna J. Pozdol
Notary Public for Oregon
My Commission Expires: 10/07/94

Exhibit A

TOWNSHIP 24 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN

- Section 11: SE $\frac{1}{4}$
Section 12: S $\frac{1}{2}$
Section 13: Entire Section
Section 14: N $\frac{1}{2}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ SE, SE $\frac{1}{2}$ SE $\frac{1}{4}$
Section 15: E $\frac{1}{2}$, SW $\frac{1}{4}$
Section 16: SE $\frac{1}{4}$, that portion of the W $\frac{1}{2}$ which lies east of the Great Northern Railroad right-of-way
Section 22: E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 23: E $\frac{1}{2}$ E $\frac{1}{2}$, NE $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ W $\frac{1}{4}$
Section 24: Entire Section
Section 25: Entire Section
Section 26: E $\frac{1}{2}$ NE $\frac{1}{4}$, SW $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$
Section 27: W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{2}$ SW $\frac{1}{4}$
Section 28: E $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{2}$ SE $\frac{1}{4}$
Section 33: NE $\frac{1}{2}$ NE $\frac{1}{4}$
Section 35: NE $\frac{1}{2}$, SE $\frac{1}{2}$ NW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SE $\frac{1}{2}$ SE $\frac{1}{4}$
Section 36: Entire Section

TOWNSHIP 24 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN

- Section 7: Lots 13, 14, and 15
Section 18: NE $\frac{1}{2}$, Lots 1 through 20 inclusive, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{2}$ SE $\frac{1}{4}$
Less Highway Right of way
Section 19: Entire Section

EXHIBIT B

Klamath County, Oregon
Permitted Exceptions

1. Taxes for 1991-92 are now a lien but not yet payable.
2. The assessment roll and the tax roll disclose that the within described premises were specially assessed as Forest Land. Taxes for the year 1991-92 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.
3. Rights of the public in and to any portion of the herein described property lying within the boundaries of public roads or highways.
4. Agreement, by and between Gilchrist Timber Company and The Shevlin-Hixon Company, dated August 12, 1943, recorded October 25, 1943, in Volume 159 page 300, Deed Records of Klamath County, Oregon.
Modification recorded February 29, 1952, in Volume 253 page 222, Deed Records of Klamath County, Oregon.
5. Right of Way for electric transmission line, including the terms and provisions thereof, to United States of America, dated November 21, 1951, recorded November 29, 1951, in Volume 251 page 320, Deed Records of Klamath County, Oregon. (Twp 23 SR 11, Twp 23 SR 10 & Twp 24-10)
6. Transmission line easement, including the terms and provisions thereof, given by Gilchrist Timber Company, to United States of America, dated February 14, 1952, recorded May 22, 1952, in Volume 254 page 623, Deed Records of Klamath County, Oregon. (Twp 24 SR 10, Twp 25 SR 9)
7. Easement for road, including the terms and provisions thereof, given by Brooks-Scanlon, Inc., a corporation, to United States of America, dated November 2, 1966, recorded November 28, 1966, in Volume M66 page 11989, Deed Records of Klamath County, Oregon. (Various)
8. Easement, including the terms and provisions thereof, given by Gilchrist Timber Company, a Delaware Corporation to United States of America, dated February 14, 1978, recorded April 18, 1978, in Volume M78 page 7531, Deed Records of Klamath County, Oregon. (Twp 24 SR 10)
9. Easement, including the terms and provisions thereof, given by Gilchrist Timber Company, to United States of America, dated January 28, 1981, recorded February 18, 1981, in Volume M81 page 2763, Deed Records of Klamath County, Oregon. (Various)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 4th day
of Oct. A.D., 19 91 at 2:47 o'clock P.M., and duly recorded in Vol. M91
of Deeds on Page 20384.

FEE \$33.00

By Evelyn Biehn, County Clerk

By Quinn Mullins