

39274

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MEMORANDUM OF LOG PURCHASE
AND SECURITY AGREEMENT

DATE: December 30, 1991

AMONG: CROWN PACIFIC, LTD.
121 S.W. Morrison Street, Suite 900 ("Seller")
Portland, Oregon 97204

AND: OCHOCO LUMBER COMPANY
P.O. Box 668 ("Purchaser")
Prineville, Oregon 97754

AND: CAPITAL CONSULTANTS, INC.,
as agent for certain lenders ("Lender")
2300 S.W. First Avenue
Portland, Oregon 97201

Seller, Purchaser, and Lender have entered into a Log Purchase and Security Agreement of even date herewith ("Agreement"), and desire to execute and record this Memorandum of Agreement to place notice of the Agreement in the public record.

Pursuant to the Agreement, Seller has agreed to deliver to Purchaser 10 million board feet net scale of logs, obtained from timber on the lands described on the attached Exhibit A. Crown Pacific (Oregon) Limited Partnership is the record owner of such lands. Seller has granted to Purchaser a security interest in all timber on the lands described on Exhibit A, and all logs manufactured therefrom, to secure certain amounts advanced by Purchaser to Seller under the Agreement. Purchaser has the right under certain conditions specified in the Agreement to go upon the lands described on Exhibit A and to harvest and remove timber from such lands.

This Memorandum of Agreement may be executed in any number of counterparts.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Agreement as of the date first written above.

Seller:

CROWN PACIFIC, LTD., an Oregon corporation

By W.H.L.N.

Title TREASURER

AFTER RECORDING RETURN TO:

ROGER KRAGE
CROWN PACIFIC, LTD.
121 S.W. MORRISON ST. SUITE 900
PORTLAND, OR. 97204

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Purchaser:

OCHOCO LUMBER COMPANY, an Oregon
limited partnershipBy: Ochoco Management, Inc., an
Oregon corporation, General
PartnerBy: Brenda J. [Signature]Title Vice-President

Lender:

CAPITAL CONSULTANTS, INC., an
Oregon corporation, as agent for
certain lendersBy: W.D. [Signature]Title FIRST V.P. [Signature]

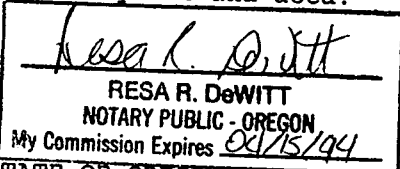
STATE OF OREGON)

County of Multnomah)

ss.

December 27, 1991

Personally appeared William R. Morris who, being
duly sworn, did say that he is the Treasurer of
Crown Pacific, Ltd. and that the foregoing instrument was signed
on behalf of said corporation by authority of its board of
directors; and he acknowledged said instrument to be its
voluntary act and deed.



Resa R. DeWitt
Notary Public for Oregon
My Commission Expires: 04/15/94

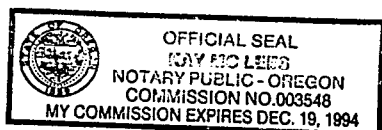
STATE OF OREGON)

County of Crook)

ss.

December 30, 1991

Personally appeared Bruce Daucsavage who, being
duly sworn, did say that he is the Vice-President of Ochoco
Management, Inc. and that the foregoing instrument was signed on
behalf of said corporation by authority of its board of
directors; and he acknowledged said instrument to be its
voluntary act and deed.



Kay McLees
Notary Public for Oregon
My Commission Expires: 12-19-94

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STATE OF OREGON)
) ss.
County of Multnomah)

December 27, 1991

Personally appeared William J. DePaul who, being duly sworn, did say that he is the First Vice President of Capital Consultants, Inc. and that the foregoing instrument was signed on behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.

Carol L. Hardie

Notary Public for Oregon

My Commission Expires: 6/18/94

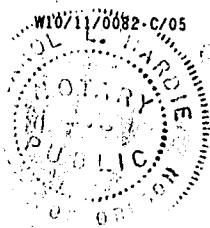


EXHIBIT AKLAMATH COUNTY, OREGON

IN TOWNSHIP 24 SOUTH, RANGE 11 EAST OF THE WILLAMETTE
MERIDIAN:

Sec 7: Lots 13, 14, 15
Sec 18: NE 1/4, Lots 1 through 20 inclusive,
N 1/2 SE 1/4, SW 1/4 SE 1/4

Less Highway Right of Way
Sec 19: All

IN TOWNSHIP 24 SOUTH, RANGE 10 EAST OF THE WILLAMETTE
MERIDIAN:

Sec 12: S 1/2
Sec 13: All
Sec 24: All

se\srm\crown\exhibit.A3

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 31st day
of Dec. A.D., 19 91 at 10:08 o'clock A.M., and duly recorded in Vol. M91,
of _____ Deeds on Page 27165.

FEE \$23.00

Evelyn Biehn County Clerk
By Douglas M. Henderson