

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement by and between TIMM BURR, INC. ("Burr") and BOISE CASCADE CORPORATION ("Boise Cascade") is made this 3rd day of January, 1994. Burr is in the business of acquiring timberland and harvesting the timber. Boise Cascade is a sawmill operator and wishes to acquire delivered logs.

Burr and Boise Cascade entered into that certain Log Purchase Agreement and Amendment dated January 3, 1994 ("Agreement"), whereby Burr will harvest and deliver to Boise Cascade logs on property described on Exhibit A attached hereto and by this reference made a part hereof.

In order to facilitate the terms of the Agreement, Boise Cascade and Burr agree as follows:

1. Boise Cascade will advance the purchase price of the logs to Burr in exchange for a Deed of Trust upon the land and timber in form satisfactory to Boise Cascade to secure repayment of the advance to Burr.
2. All harvested logs from the property shall be delivered and sold to Boise Cascade, and to no other buyer, in accordance with the attached delivered Log Purchase Agreement.
3. Repayment of the advance due from Burr to Boise Cascade shall be from the proceeds of the attached Log Purchase Agreement. Boise Cascade shall withhold monies due Burr pursuant to the Log Purchase Agreement at the rate of \$425 per thousand board feet delivered net short log scale or such lesser amount equal to the purchase price per thousand board feet delivered net short log scale for the species/grade of log delivered specified

RETURN TO: BOISE CASCADE
P.O. BOX 50
BOISE, IDAHO 83728

in the Agreement. Withholding shall be for all logs delivered until Boise Cascade is repaid its entire advance. The excess, above the withholding, if any, shall be payable to Burr in accordance with the attached Log Purchase Agreement. In the event that the entire advance is not repaid on or before November 1, 1994, the remainder shall bear interest at Bank of America's prime plus two percent (2%) until principal and interest are repaid in full.

4. Burr shall retain all loggers and haulers and pay for all logging and trucking costs. All logs are sold delivered at the mill.

5. In the event that Burr fails to harvest and deliver to Boise Cascade sufficient logs to repay the advance by November 1, 1994, Boise Cascade may foreclose upon the Deed of Trust by judicial foreclosure. Any deficiency owing to Boise Cascade upon the advance after harvest and resale of the parcel shall be due and owing from Burr to Boise Cascade and Boise Cascade shall be entitled to a judgment for such deficiency.

6. Burr is not Boise Cascade's agent, employee, or contractor and Boise Cascade has no supervision or control whatsoever concerning logging, trucking, or activity related to timber harvesting or delivery unless and until Boise Cascade obtains title through foreclosure. Boise Cascade and Burr are not joint venturers or partners.

7. This Agreement contains the entire agreement between the parties with respect to the transaction described herein. This Agreement shall be interpreted in accordance with normal standard and practice in the industry.

DATED 1-4, 1994

TIMM BURR, INC.

By Robert Daggett V.P.
Title SR. VICE PRESIDENT

BOISE CASCADE CORPORATION

DATED 1-6, 1994

By Mark W. Nystrom
Title ASSIST. LOG BUYER

FORM No. 24—ACKNOWLEDGMENT—CORPORATION.

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,

County of Klamath } ss.
before me appeared Robert Daggett

On this 6th day of January, 1994,
and

both to me personally known, who being
duly sworn, did say that he, the said Robert Daggett

is the Vice President, and he, the said Robert Daggett
is the Secretary of Timm Burr, Inc.

the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and Robert Daggett and
acknowledge said instrument to be the free act and deed of said Corporation.

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



Debra Buckingham

Notary Public for Oregon.

My Commission expires 12-19-96

FORM NO. 23 — ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

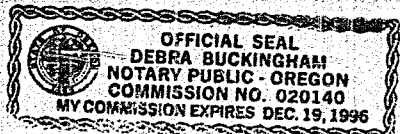
STATE OF OREGON,

County of Klamath } ss.

BE IT REMEMBERED, That on this 6th day of January, 1994,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Mark W. Nystrom, Assistant Log Buyer for Boise Cascade

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

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



Debra Buckingham

Notary Public for Oregon.

My Commission expires 12-19-96

EXHIBIT A

The Southwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 19, Township 33 South, Range 7 East, Willamette Meridian, Klamath County, Oregon.

The Northwest Quarter of the Northwest Quarter of the Northeast Quarter of Section 19, Township 33 South, Range 7 East, Willamette Meridian, Klamath County, Oregon.

The Northwest Quarter of the Northwest Quarter of the Northwest Quarter of Section 17, Township 33 South, Range 7 East, Willamette Meridian, Klamath County, Oregon.

BOISE CASCADE CORPORATION
P.O. BOX 100
MEDFORD, OREGON 97501-0203
FED E.I.N. #82-0169360

LOG PURCHASE AGREEMENT

1:45 PM

12/14/93

ORIGINAL

X

REVISED

LPA P-94001

SELLER:

TIMM BURR, INC.

1/3/94

EFFECT DATE

BR #

ADDRESS:

325 MAIN ST., SUITE #203

9/30/94

TERM DATE

ID #

KLAMATH FLALS, OR 97601

080005457

VENDOR NO.

SALE NAME:

UP THERE

Seller agrees to sell to Buyer all logs from sale name shown hereon which meet Buyer's log specifications at the following net prices and as scaled by a mutually acceptable third-party including special request grades on file. Logs to be scaled Scribner Short Log scale.
Seller will deliver logs to Buyer's Medford and/or White City yard.

DOUGLAS FIR

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
P1			\$
P2			\$
P3			\$
1M			\$
SM			\$
2M			\$
3M			\$
4M			\$
SC			\$
2SC			\$
UC/4UC			\$

PONDEROSA PINE

VOL	125	M	\$/MBF
LOG GRADE			NET
CR	BRIGHT		\$
CR	BLUE		\$
1M			\$
2M			\$
3M			\$
SM			\$
4M			\$
5M			\$
6M			\$
SC			\$
2SC			\$
UC/4UC			\$

SUGAR/WHITE PINE

VOL	25	M	\$/MBF
LOG GRADE			NET
CR	BRIGHT		\$
CR	BLUE		\$
1M			\$
2M			\$
3M			\$
SM			\$
4M			\$
5M			\$
6M			\$
SC			\$
2SC			\$
UC/4UC			\$

INCENSE CEDAR

VOL	1	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
2M			\$
3M			\$
SM			\$
4M			\$
5M			\$
6M			\$
SC			\$
2SC			\$
UC/4UC			\$

WHITE FIR/HEMLOCK/SPRUCE

VOL	80	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
SM			\$
2M			\$
3M			\$
4M			\$
			\$
			\$
SC			\$
2SC			\$
UC/4UC			\$

LODGEPOLE PINE

VOL	20	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
SM			\$
2M			\$
3M			\$
4M			\$
			\$
			\$
SC			\$
2SC			\$
UC/4UC			\$

NOTE: Adjusted gross of Special Culls and Utility Culls is net.

/M Deduction for less than 75% preferred and primary lengths by gross volume.
Peelable and Sawlog, by pay period.

MINIMUM SPECS:

LENGTH:

8"

% MERCH:

33-1/3

SCALE:

SL

DIAM:

6"

VOL/PIECE

10 BF

ATTACHED AND MADE PART OF THIS AGREEMENT ARE:

- 1) EXHIBITS B, D AND U (WAIVE OVERTIME).
- 2) PURCHASER'S CUT-OFF AND PAY DATE SCHEDULE.
- 3) NO PAYMENT FOR LOGS WITH METAL EMBEDDED.
- 4)

TERMS AND CONDITIONS

- 1) ACCEPTANCE. This Agreement as set forth herein and on the face hereof, is effective upon Seller's written acknowledgement or by commencement of performance by Seller. No other terms or conditions shall be binding on Boise Cascade Corporation ("Buyer") unless written approval thereof specifically referring to such other terms and conditions shall have been given to Seller. This is a firm agreement and is terminable only upon written mutual consent unless otherwise provided herein.
- 2) DELIVERY. Unless otherwise indicated on the face hereof, all sales are F.O.B. truck Buyer's log yard, designated on the face hereof. Logs will be delivered during posted scaling hours, unless otherwise indicated on the face hereof.
- 3) FORCE MAJEURE. If Buyer is unable to take delivery of logs or Seller is unable to deliver logs due to strikes, acts of God, equipment breakdown, or other occurrences beyond its reasonable control, the term hereof shall be extended an equal number of operating days. Where either Seller or Buyer claims an excuse for nonperformance under this paragraph, it must give notice in writing to the other party. At the option of the party whose performance has not been delayed, this Agreement may be terminated if delivery does not recommence within thirty days.
- 4) PAYMENT. Payment for logs delivered to Buyer will be made in accordance with the attached schedule.
- 5) WARRANTY. Seller warrants all logs covered by this Agreement will conform to specifications on the face hereof. Logs not meeting specifications will not be paid for and shall be immediately removed by Seller at Seller's expense. Seller warrants that it is the owner of all logs sold hereunder and that all logs are free from any and all claims, liens and encumbrances.
- 6) ASSIGNMENT. This Agreement shall not be assigned by either party in whole or in part without the prior approval of the other party.
- 7) COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS. Each party warrants that it and its employees and contractors who perform any work subject to this Agreement, will comply with all federal, state and local laws, rules and regulations applicable to performance of this Agreement.
- 8) GOVERNING LAW. This Agreement shall be governed by the law of the state in which this Agreement is issued.
- 9) INDEMNITY. SELLERS AGREE TO INDEMNIFY AND HOLD HARMLESS THE BUYER AND ANY CONTRACTOR, AGENT, OR EMPLOYEE OF BUYER AGAINST ANY LOSS, DAMAGE, OR LIABILITY, INCLUDING ATTORNEY'S FEES, ARISING FROM THE NEGLIGENCE, BREACH OF WARRANTY, OR OTHER ACT OF SELLER ITS EMPLOYEES AND CONTRACTORS.
- 10) NOTICES. Any notice authorized by this Agreement to be served or given to either party hereto shall be sufficiently served or given for all purposes if sent by United States mail, postpaid, addressed to the party at its place of business, as set forth on the face hereof.
- 11) TAXES. Unless otherwise stated, the sales prices specified herein do not include any federal, state, or local taxes. Wherever applicable, such taxes or charges will be for the account of the party responsible at law for payment thereof, unless specifically otherwise provided on the face of this Agreement.
- 12) ENTIRE AGREEMENT. This document contains the entire agreement of the parties concerning the subject matter hereof and no provision hereof shall be deemed waived or amended except in writing signed by the parties.

TIMM BURR, INC.

503-885-6010

TELEPHONE

BY:

151 Robert D. Jorgensen V.P.

SELLER

BY:

BOISE CASCADE CORPORATION

Mark W. Nystrom

BUYER

LOG PURCHASE AGREEMENT NUMBER

P-94001

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title co the 6th day
 of Jan A.D., 19 94 at 11:28 o'clock A.M., and duly recorded in Vol. M94
 of Deeds on Page 628.

Evelyn Biehn County Clerk

By Danah M. Nystrom

FEE \$35.00