

17-46236
MEMORANDUM OF AGREEMENT

This Memorandum of Agreement by and between TIMM BURR, INC. ("Burr"), and BOISE CASCADE CORPORATION ("Boise Cascade") is made this 1st day of February, 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 February 1, 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

AFTER RECORDING RETURN TO: Boise Cascade Corporation
Attention: Joe Munson
P.O. Box 50
Boise, ID 83728

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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.

TIMM BURR, INC.

DATED February 15, 1994

By Robert J. Dwyer
Title VICE PRESIDENT

BOISE CASCADE CORPORATION

DATED February 15, 1994

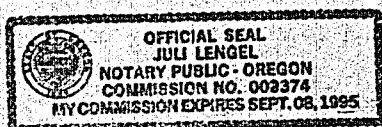
By Mark W. Norton
Title LOG BUYER

STATE OF OREGON)
COUNTY OF Clatsop) ss.

February 15, 1994.

Personally appeared Mark W. Nyström, who, being sworn, stated that he is the Vice President of Boise Cascade Corporation and that the seal affixed hereto is its seal and that this instrument was voluntarily signed and sealed on behalf of the corporation by authority of its Board of Directors.

Before me:



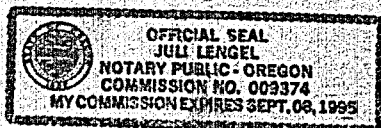
Juli Lengel
Notary Public
My Commission expires: 9/8/95

STATE OF OREGON)
COUNTY OF Clatsop) ss.

February 15, 1994.

Personally appeared Robert Daggett, who, being sworn, stated that he/she is the Vice President of Timber Lumber and that the seal affixed hereto is its seal and that this instrument was voluntarily signed and sealed on behalf of the corporation by authority of its Board of Directors.

Before me:



Juli Lengel
Notary Public
My Commission expires: 9/8/95

EXHIBIT A

Parcel 1: A tract of real property in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 28, Township 34 South, Range 8 East of the Willamette Meridian, said tract being more particularly described as follows:

Beginning at a point on the Section line common to Sections 28 and 29 of the above named Township, Range and Meridian, which point is also on the southerly bank of Sprague River at the mean water line, is marked with a 1" iron pipe and bears South 1290.0 feet from the Section corner common to Sections 20, 21, 28 and 29 of the above mentioned Township, Range, and Meridian; thence continuing South along the Section line a distance of 135.0 feet to the 1/16 corner; thence East, parallel with the North boundary of said Section 28, a distance of 1314.3 feet; thence North 387.9 feet to the southerly right-of-way boundary of the Chiloquin-Sprague River Highway; thence along said right-of-way boundary North 66°14' West, 530.48 feet and North 68°01' West, 345.95 feet to the mean water line of Sprague River; thence following down-stream along the said mean water line of Sprague River as follows: South 22°31' West, 131.9 feet; South 38°49' West, 354.05 feet; South 44°11' West, 176.05 feet and South 57°23' West, 133.98 feet, more or less, to the point of beginning, containing 14.81 acres, more or less, and being in Klamath County, Oregon.

Parcel 2: The E $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 34, Township 32 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 3: The NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 34, Township 32 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 4: The S $\frac{1}{2}$ N $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 19, Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.

Parcel 5: The W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ in Section 34, Township 32 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

BOISE CASCADE CORPORATION
P.O. BOX 100
MEDFORD, OREGON 97501-0203
FED E.I.N. #82-0100960

LOG PURCHASE AGREEMENT

11:10 AM
2/2/94

LPA P-94041 SELLER:
BR # CTB ADDRESS:
ID # 906505 SALE NAME:

TIMM BURR
325 MAIN ST, SUITE #203
KLAMATH FALLS, OR 97601
SPREAD

2/2/94 EFFECT DATE
11/1/94 TERM DATE
Q80005457 VENDOR NO.
TAXPAYER ID #

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

PONDEROSA PINE			
VOL	200	M	\$/MBF
LOG GRADE	NET		
CR	BRIGHT	\$	
CR	BLUE	\$	
1M		\$	
2M		\$	
3M		\$	
SM		\$	
4M		\$	
5M		\$	
6M		\$	
SC		\$	
2SC		\$	
UC/4UC		\$	

SUGAR/WHITE PINE			
VOL	10	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	100	M	\$/MBF
LOG GRADE	NET		
CR		\$	
P		\$	
1M		\$	
SM		\$	
2M		\$	
3M		\$	
4M		\$	
SC		\$	
2SC		\$	
UC/4UC		\$	

LODGEPOLE PINE			
VOL	75	M	\$/MBF
LOG GRADE	NET		
CR		\$	
P		\$	
1M		\$	
SM		\$	
2M		\$	
3M		\$	
4M		\$	
SC		\$	
2SC		\$	
UC/4UC		\$	

NOTE: Adjusted gross of Special Cuts and Utility Cuts 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
DIA: 6" VOL/PIECE 10 BF

SCALE: SL

ATTACHED AND MADE PART OF THIS AGREEMENT ARE:

- 1) EXHIBITS B, D AND U (WAIVE OVERTRIM).
- 2) PURCHASER'S CUT-OFF AND PAY DATE SCHEDULE.
- 3)
- 4)

TERMS AND CONDITIONS

4997

- 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.

BY: TIMM BURR 503-885-6010
15/ Randy L. Shaw TELEPHONE
 SELLER (President)

BY: BOISE CASCADE CORPORATION
Mark W. Nyström
 BUYER

LOG PURCHASE AGREEMENT NUMBER

P-94041

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co the 15th day
 of Feb. A.D., 19 94 at 11:37 o'clock A.M., and duly recorded in Vol. M94
 of Deeds on Page 4991.

FEE \$40.00

Evelyn Biehn County Clerk

By Doreen Mulholland