

BARGAIN AND SALE TIMBER DEED

328 - 1000

Kenneth L. Emery and Dorothy I. Emery, trustees of the Kenneth L. Emery Living Trust u/a dated December 20, 1976, and trustees of the Dorothy I. Emery Living Trust u/a dated December 20, 1976, Grantors, convey to Paul G. Neiffer, Trustee of the Tina K. Emery Trust u/a dated 1-31 1994, Grantee, all of the merchantable timber defined as all lodgepole and ponderosa pine marked with a blue paint stripe four and one-half feet above ground and a blue stump spot near ground, of commercial utilization by Grantee at harvest upon the real property located in Klamath County, Oregon (the "Timber"). Said real property (the "Property") is described on Schedule A attached hereto and incorporated herein by this reference.

1. *Consideration.* There is no consideration for this conveyance.

2. *Termination.* All rights in the Property and the Timber conveyed herein shall terminate at midnight on July 31, 2023.

3. *Entry.* Grantee shall have the right to enter the Property from this date to the date of termination for the purpose of logging and removing the Timber, constructing and maintaining roads, bridges, trails, skid roads, and other structures necessary to the logging of the Timber, disposing of slash, provide for fire protection, and such other activities deemed necessary by Grantee for the supervision and care of the Timber.

4. *Roads.* Grantee shall use existing roads wherever possible. If Grantee desires to construct new roads, the plan of construction shall be approved by Grantor in writing. Grantor may use any roads constructed by Grantee for Grantor's own purposes. Grantee is prohibited from granting road use to others without the express written permission of Grantor. Grantee shall maintain existing roads use by Grantee in their condition on date of entry and shall leave such roads in such condition on date of termination. Grantee shall maintain roads constructed by Grantee in a condition suitable for pickup travel and shall leave all roads in such condition at termination.

5. *Protecting Grantor's Property.* Grantee will keep all gates closed when not in use; construct cattle guards in new roads and maintain same in existing roads; repair or replace fences damaged or destroyed by Grantee; construct ditches and drains to prevent erosion damage to roads and land; safeguard natural springs; reimburse Grantor for damage to Grantor's livestock; conduct no logging operations on the Property when ground is excessively wet; maintain existing bridges and culverts in same condition as on date of entry; clean up debris and waste according to good forestry practices and leave the land in suitable condition for grazing of cattle.

6. *Compliance with Forest Practices Act.* Grantee will give notice to the State Forester as required before operations are commenced. Grantee shall comply with all regulations and orders of the State Forester and pay all fines imposed because of failure to comply.

7. *Logging Plan.* Prior to commencing operations Grantee will file with Grantor a plan of logging operations for Grantor's written approval. Upon completion of logging operations in a section of the Property designated in the logging plan, possession of such section will revert to Grantor.

8. *Fire Protection.* If fire comes upon or threatens the Property, Grantee will use every reasonable effort to suppress. Grantee will be responsible for burning slash and will take such other steps as are reasonably required to reduce the fire hazard caused by Grantee's operation.

9. *Indemnity and Insurance.* Grantee will indemnify and save Grantor harmless for any claims whatsoever growing out of Grantee's operation. Grantee will acquire liability insurance coverage,

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within limits acceptable to Grantor during Grantor's ownership and an additional insured to cover all claims against Grantor for bodily injury or property damage, for payment of fire suppression costs including but not limited to claims by third persons for fire suppression costs incurred by such third person or by the State Forester, or by a forest protective association for fire suppression costs, and protecting Grantor against damage to Grantor's property including Grantor's timber, caused by Grantee's operation.

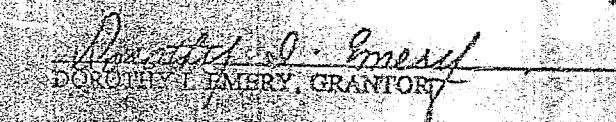
10. *Taxes.* Grantor will pay real property taxes and other assessments levied against the Timber and the Property from the date of this Deed. Grantee will pay all taxes related to the logging operation including, but not limited to severance taxes, harvest taxes, and fire patrol assessments.

11. *Reservation by Grantor.* Grantor reserves all rights in and to the Property except those specifically granted herein.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

DATED: 1-31-, 1994.

  
KENNETH L. EMERY, GRANTOR

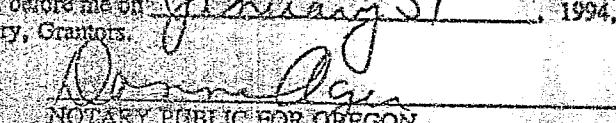
  
DOROTHY I. EMERY, GRANTOR

STATE OF OREGON

CLACKAMAS COUNTY, ss.

NOTARY:

This instrument was acknowledged before me on January 31, 1994,  
by Kenneth L. Emery and Dorothy I. Emery, Grantors.

  
NOTARY PUBLIC FOR OREGON

My Commission Expires: 05/28/94

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## SCHEDULE OF REAL PROPERTY

The SW 1/4 SE 1/4 and the S 1/2 NE 1/4 SE 1/4 and the SB 1/4 SR 1/4 of Section 6 Township 30 South, Range 39 East of the Willamette Meridian, Klamath County, Oregon.

The NE 1/4 NE 1/4 of Section 7, Township 30 South, Range 39 East of the Willamette Meridian, Klamath County, Oregon.

The SW 1/4 NW 1/4 and the NW 1/4 SW 1/4 and the SE 1/4 SW 1/4 and the S 1/2 SR 1/4 of Section 5, Township 30 South, Range 39 East of the Willamette Meridian, Klamath County, Oregon.

The NE 1/4 of Section 8, Township 30 South, Range 39 East of the Willamette Meridian, Klamath County, Oregon.

The W 1/2 NW 1/4 and the NW 1/4 SW 1/4 of Section 9, Township 30 South, Range 39 East of the Willamette Meridian, Klamath County, Oregon.

STATE OF OREGON  
COUNTY OF DISCHUTTS

MARY SUE PENHOLLOW, COUNTY CLERK AND  
RECORDS OF CONVEYANCES, PLANS FOR LAND  
COUNTY OF DISCHUTTS, CLOTHESLINE, BURR,  
INSTRUMENT WAS RECORDED THIS DAY

94 FEB-3 FILED 15

MARY SUE PENHOLLOW  
COUNTY CLERK

STATE OF OREGON  
County of Klamath

Filed for record at request of:

Klamath County Title Co.  
on the 31st day of March A.D. 1994  
at 10:30 o'clock A.M. and duly recorded  
in Vol. M94 of deeds 11489-23  
by Evelyn A. Lamp, County Clerk  
By G.A. [Signature] Deputy

Fee \$20.00

94-03570 13-  
DISCHUTTS COUNTY OFFICIAL RECORDS