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K-46532

Vol. mg4 Page 14051

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement by and between TIMM BURR, INC. ("Burr") and BOISE CASCADE CORPORATION ("Boise Cascade") is made this 22nd day of April, 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 April 22, 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 CORP/ATTN JOE MUNSON
P.O. BOX 50
BOISE, ID 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 December 31, 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 December 31, 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 shall be excused from performing its obligations hereunder during the time and to the extent that such performance is prevented by fire, flood, adverse weather, strikes, labor disputes, acts of God, or other causes beyond the reasonable control of Burr, provided that Burr shall immediately resume performance as soon as the event which causes the nonperformance ceases to exist or when directed to do so by Boise Cascade.

7. 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.

8. 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 _____, 1994

By [Signature]
Title SR. VICE PRESIDENT

BOISE CASCADE CORPORATION

DATED 4/28, 1994

By Mark W. Nystrom
Title LOG BUYER

STATE OF OREGON)
COUNTY OF JACKSON) ss

14054

April 28, 1994.

Personally appeared MARK W. NYSTROM, who, being sworn, stated that he is the LOG BUYER 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:



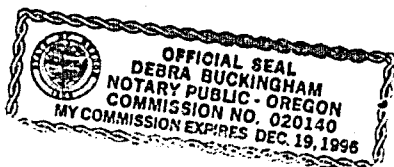
Veda Marshall
Notary Public
My Commission expires: 12-3-97

STATE OF Oregon)
COUNTY OF Klamath) ss.

May 3, 1994.

Personally appeared Robert Daggett, who, being sworn, stated that he is the Vice President of TIMM BURR, INC., 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:



Debra Buckingham
Notary Public
My Commission expires: 12-19-96

DM40422C

EXHIBIT A

- PARCEL 1: The S $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 16, Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 2: The S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 17, Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon, lying East of the centerline of Mill Creek.
- PARCEL 3: The E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ in Section 31, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.
- EXCEPTING THEREFROM the E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ in Section 31, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 4: The NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 29, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 5: The N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ and the W $\frac{1}{2}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 1, Township 36 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 6: The E $\frac{1}{2}$ NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 31, Township 35 South, Range 11 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 7: The S $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 1, Township 33 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 8: NE $\frac{1}{4}$ NE $\frac{1}{4}$ and N $\frac{1}{2}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 1, Township 33 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.
- PARCEL 9: E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 3, Township 38 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

SENT BY: Xerox Telecopier 7020 ; 4-21-94 ; 2:05PM ;

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1 503 885 6010;# 2

14056

BOISE CASCADE CORPORATION
P.O. BOX 100
MEDFORD, OREGON 97501-0203
FED E.I.N. #82-0100980

LOG PURCHASE AGREEMENT

SPA P-84146
BR # TBA
ID #

SELLER:

ADDRESS:

SALE NAME:

TIMM BURR, INC
328 MAIN ST., SUITE #203
KLAMATH FALLS, OR 97601
SA-CH

1115 PM
4/21/94

4/22/94

12/31/04

080003467

EFFECT DATE

TERM DATE

VENDOR NO.

TAXPAYER ID #

Buyer 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 Sortinar
Seller will deliver logs to Buyer's Medford and/or White City yard.

Short Log 93-1100262 scale.

DOUGLAS FIR

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
P1			\$
P2			\$
P3			\$
1M			\$
2M			\$
3M			\$
4M			\$
5C			\$
25C			\$
UC/4UC			\$

PONDEROSA PINE

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
CR			\$
1M			\$
2M			\$
3M			\$
4M			\$
5M			\$
6M			\$
5C			\$
25C			\$
UC/4UC			\$

SUGAR/WHITE PINE

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
CR			\$
1M			\$
2M			\$
3M			\$
4M			\$
5M			\$
6M			\$
5C			\$
25C			\$
UC/4UC			\$

INCENSE CEDAR

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
2M			\$
3M			\$
4M			\$
5M			\$
6M			\$
5C			\$
25C			\$
UC/4UC			\$

WHITE FIR/HEMLOCK/SPRUCE

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
2M			\$
3M			\$
4M			\$
5C			\$
25C			\$
UC/4UC			\$

VOL	0	M	\$/MBF
LOG GRADE			NET
CR			\$
P			\$
1M			\$
2M			\$
3M			\$
4M			\$
5C			\$
25C			\$
UC/4UC			\$

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

1/4M Deduction for loss than 75% preferred and primary lengths by gross volume.
Peelable and Sawlog, by pay period.

MINIMUM SPECS:

LENGTH:

8'

% MERCH:

33-1/3

DIAM:

8"

VOL/PIECE

10 BF

SCALE:

SL

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)

SENT BY: Xerox Telecopier 7020 : 4-21-94 : 2:05PM :

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1 503 885 6010;# 3

14057

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

603-885-6010

TELEPHONE

BY:

SELLER

BY:

BOISE CASCADE CORPORATION

BUYER

LOG PURCHASE AGREEMENT NUMBER

P-64148

PAGE #2

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ Klamath County Title Co the 4th day
 of _____ May _____ A.D., 19 94 at 10:13 o'clock A.M., and duly recorded in Vol. M94
 of _____ Deeds _____ on Page 14051

FEE \$40.00

Evelyn Biehn County Clerk

By Pauline Mullins