

## TIMBER DEED

MTC 32523-KR

Matt G. Cantrell (hereinafter referred to as "Grantor"), whose address is P.O. Box 3455, Ashland, OR 97520, does hereby grant, bargain, sell and convey unto JELD-WEN, inc., dba Thomas Lumber Company, whose address is 3250 Lakeport Blvd., Klamath Falls, OR 97601, its successors and assigns (hereinafter referred to as "Grantee") all of the merchantable timber lying or standing upon certain real property in Klamath County, Oregon, more particularly described as follows: Government Lots 3, 4 and 5 and the SE1/4 NW1/4, and the NE1/4 SW1/4, Section 6, Township 37 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon (the "Real Property").

TO HAVE AND TO HOLD the same unto the said Grantee for the period hereinafter stated.

Grantor hereby covenants to and with Grantee that Grantor is lawfully seized in fee simple of the Real Property, that the same are free and clear from all liens and encumbrances, except the Trust Deed of Jack Cannon and Ione Cannon dated April 29, 1994 which is subject and subordinate to this Timber Deed, and that Grantor shall warrant and defend the title to said merchantable timber against the claims and demands of all persons whosoever. The term "merchantable timber" as used herein shall mean and include all down and standing timber currently, or at any time prior to December 31, 1995, measuring twelve inches (12") or more D.B.H. Grantee shall have the right to enter upon the Real Property and to remove such merchantable timber therefrom at any time, and as many times as Grantee shall desire, prior to December 31, 1995, at the expiration of which time any merchantable timber not so removed shall revert immediately to the Grantor. During such period, Grantee shall have the right, with its agents, representatives, contractors and employees, (1) to enter upon and freely occupy the Real Property, (2) build and use roads, flumes, skids, trams and other ways and railroads, (3) use water on such Real Property and sites for logging purposes and (4) erect any structures upon the Real Property reasonably required by Grantee. Any structures constructed on the Real Property by Grantee shall become the sole property of the Grantor if not removed by Grantee within 30 days after the expiration of such period. Notwithstanding the preceding sentence, the Grantee shall be obligated, upon written demand by the Grantor, to remove any structures constructed on the Real Property by the Grantee, with such removal to be completed within thirty (30) days after the expiration of such period.

Any new roadways constructed on or across the Real Property by the Grantee shall be constructed in such a manner as to minimize soil erosion on the Real Property or any other property, and culverts and ditches shall be installed and constructed as necessary. Maintenance and repair of all new and existing roadways on the Real Property during any period when said roadways are being used by the Grantee for logging purposes shall be the responsibility of the Grantee and shall be performed by the Grantee on a prompt, diligent and regular basis in accordance with generally accepted road maintenance standards and in accordance with all federal, state and local laws and regulations. During periods of logging, heavy hauling, road construction or repair on or about the Real Property, the Grantee shall maintain public liability insurance in reasonable amounts.

Grantee shall at all times observe and conform to all local, state and federal laws and regulations relating to the Grantee's operations on the Real Property, including the orders and directions of the state forester and the state fire marshal, and shall cooperate with all public bodies and officials in the prevention and suppression of fires on or threatening the Real Property. The Grantee shall use reasonable diligence and precaution to prevent uncontrolled fires from occurring as a result of logging, hauling or construction operations on the Real Property by any person under Grantee's control.

Grantee shall use its best efforts, and shall conduct its operations according to the generally accepted logging practices prevailing in the area, in order to log the merchantable timber from the Real

TIMBER DEED

PAGE 1 of 3

Return: Thomas Lumber, 3250 Lakeport Blvd, K Falls OR 97601

Property so as to avoid damage or downgrading of any timber which could be expected to grow to such a size as to be merchantable within 30 years after the date of execution hereof. The Grantee shall have the duty of complying with all laws, rules and regulations relating to slash disposal, reforestation and other forestry practices with respect to logging operations conducted by the Grantee on the Real Property. The Grantee shall use reasonable care in felling, cutting and removing timber from the Real Property so as to avoid any damage to growing crops or fences on the Real Property or any adjacent lands, and shall hold harmless and indemnify the Grantor and successors from and against any and all such damages or liabilities.

Grantor shall keep and maintain all merchantable timber free and clear of all liens and encumbrances, and shall pay when due all taxes upon the Real Property, during such period. Grantor shall further take all reasonable precaution to keep and maintain such merchantable timber free from damage and loss by fire or other causes during such period.

Grantor shall pay all taxes and assessments levied or charged by reason of the cutting and removal of any merchantable timber during such period.

Grantor shall be responsible for all recording fees associated with this Timber Deed.

Grantor makes no warranties or representations concerning the quantity or quality of any timber on the Real Property.

Grantee and Grantor shall each defend, indemnify and hold harmless one another from and against any liability, loss or expense to the extent such liability, loss or expense is caused by the negligent or intentional acts or omissions of the other or such other's agents, representatives or employees.

The true and actual consideration paid for this transfer is Seventy Five Thousand and No/100ths Dollars (\$75,000) for One Hundred and Twenty Five Thousand Board Feet (125Mbf) of Merchantable Timber and Six Hundred Dollars per Thousand Board Feet (\$600/Mbf) for Merchantable Timber harvested in excess of the 125Mbf. Payment shall be made as set forth in that certain Log Purchase Agreement between the Grantor and Grantee dated this same date.

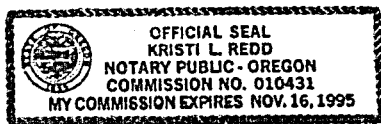
Executed by Grantor this 5<sup>th</sup> day of ~~April~~<sup>May</sup>, 1994.

Matt G. Cantrell  
Matt G. Cantrell

STATE OF OREGON  
COUNTY OF KLAMATH

Personally appeared Matt G. Cantrell and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me this 5<sup>th</sup> day of ~~April~~<sup>May</sup>, 1994.



Kristi L. Redd  
Notary Public for OREGON  
My Commission expires: 11/16/95

We, Jack Cannon and Ione Cannon, hereby consent to this Timber Deed and the grant therein made, and hereby subordinate to such Timber Deed, any and all Trust Deeds, Mortgages, or other security interests previously or hereafter granted us by Matt G. Cantrell in and to the Real Property, and agree that any such Trust Deed, Mortgage or other security interest shall be subject to this Timber Deed.

Executed this 2<sup>nd</sup> day of May April, 1994.

Jack Cannon  
Jack Cannon

Ione Cannon  
Ione Cannon

STATE OF OREGON  
COUNTY OF KLAMATH

Personally appeared Jack Cannon and acknowledged the foregoing instrument to be his voluntary act and deed.

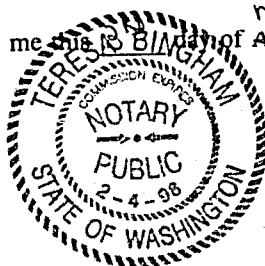
Before me this 2<sup>nd</sup> day of May April, 1994.

Linda L. Stern  
Notary Public for Washington  
My Commission expires: May 22, 1995

STATE OF OREGON  
COUNTY OF KLAMATH

Personally appeared Ione Cannon and acknowledged the foregoing instrument to be his voluntary act and deed.

Before me this 13<sup>th</sup> day of May April, 1994.



Teresa Bingham  
Notary Public for Wash  
My Commission expires: 2-4-98

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 6th day of May A.D., 19 94 at 1:28 o'clock PM., and duly recorded in Vol. M94 of Deeds on Page 14399.

FEE \$40.00

Evelyn Biehn County Clerk  
By Annette Mueller