

97 FEB 18 P3:59

TIMBER DEED

Deed Number 97-1

PARTIES:

Jack Jamar
4376 Varsity St.
Ventura, CA 93003

(Seller)

RE:

Randy Shaw, Consultant
531 S. 8th St.
Klamath Falls, OR 97601
(541) 882-8827
(Purchaser)

AGREEMENT:

1. Conveyance of Timber Seller hereby grants, bargains, sells and conveys to Purchaser all of the merchantable timber, as described below, standing upon that certain Property (the "Property") in Klamath County, Oregon described as follows:

35-07-17CA, 17CD, 17DC, 20AA, & 20AB. Williamson Knoll
Subdivision Tract 1021 Blk 1: Lot #7; Blk 2: Lot #2 & 3; Blk 3: Lot
#5, 6, 8 & 9; Blk 4: Lot #1, 4, 8, 10, 15, 18, 19, 20, 22, 23, 24, 28
& 29. 35-07-20 Tax Lot #200 (86.64 Ac)

(Merchantable timber is defined as: All trees dead or alive 15"+ diameter at breast height. Harvest not to exceed 80% of existing trees in these size classes.

2. Consideration and/or Terms:

___ Without cleanup - \$296.00/*mbf net scale paid to owner by mill from mill scale sheets.

☒ With cleanup - \$284.00/*mbf net scale paid to owner by mill from mill scale sheets.

(check one of the above)

3. Recording Fees If Purchaser desires to record this Timber Deed, it shall do so at its own expense.

4. Time for Removal Purchaser shall have the right to enter upon the Property and to remove the Timber therefrom at any time between the date of this deed and 4/30/97. All Timber not so removed on or before the expiration of said period shall revert immediately to Seller.

5. Access During the above period, Purchaser shall have the right to build and use existing roads on the Property as reasonably necessary to harvest and remove the Timber from the Property.

6. Covenants of Seller Seller makes the following promises, covenants and warranties concerning the Property and Timber:

*- This is defined as a thousand board feet (mbf)

a. Seller is the owner of the Property and Timber and the Property and Timber are free from all encumbrances that would render the Timber unmarketable.

b. Seller warrants access to the Property to harvest and remove the Timber.

c. Seller will warrant and defend the title to the Timber and the access to the Property to harvest and remove the Timber without restriction against the claims and demands of all persons whomsoever.

7. Covenants of Purchaser Purchaser shall observe and conform to all local, state and federal laws and regulations relative to its operations on the Property, including the orders and directions of the State Forester and the State Fire Marshall, and shall further cooperate with all public bodies and officials in the prevention and suppression of fires on or threatening said lands. All logging and other operations in connection therewith shall be conducted by Purchaser in a good and workmanlike manner in accordance with the Oregon Forest Practices Act.

8. Risk of Loss The risk of loss to the Timber due to any cause shall shift to Purchaser (except losses resulting from the act or omissions of Seller) upon the execution of this Timber Deed.

9. Purchaser's Liability Purchaser shall repair or replace any fences, bridges or other improvements which Purchaser or its employees, agents or independent contractors damages or destroys during the harvesting and removal of the Timber. Purchaser further assumes all liability for and agrees to indemnify and save Seller harmless for any injuries, claims, damages or liability arising on the Property and caused by the operations of Purchaser during the harvesting and removal of the Timber from the Property, including, but not limited to, injuries sustained by Purchaser's employees, agents and independent contractors during harvesting and removal of the Timber. Upon notice to Seller of any claim for which Seller intends to seek indemnification hereunder, Seller shall give the Purchaser notice of such claim within seven (7) days of the time Seller receives notice of such claim and Purchaser shall be given the opportunity to contest and defend such claim. Under no circumstances may Seller compromise or settle any claim for which Seller intends to seek indemnification hereunder without Purchaser's prior written approval.

10. Taxes Purchaser shall be liable for and shall pay when due the severance and forest products harvest taxes which result from the harvesting of the Timber. Real property taxes and any other assessments against the Property shall remain the responsibility of Seller.

11. Slash Disposal and Reforestation Slash piling to be completed by 4/15/97. If so designated on page 1 purchaser shall become responsible for piling of logging slash created during removal of timber under this agreement.

12. Forces Majeure If the performance of either party of any obligation hereunder is delayed due to any cause beyond the reasonable control of the parties, including but not limited to environmental litigation or fire restrictions imposed by the Oregon Department of Forestry or other governmental agency, the time for performance shall be extended by the period of the delay.

13. Attorney Fees If an action is brought to enforce, rescind, or otherwise concerning this contract, the prevailing party shall be entitled to recovery from the other party, in addition to cost and disbursements allowed by law, costs of evidencing title and their reasonable attorney fees incurred therein, and in any appeal therefrom, and in enforcing and collecting any judgement.

Dated this 22nd day of January, 1997

Jack Jaman
(Seller)

Randy L. Shaw
(Purchaser)

STATE OF CALIFORNIA
COUNTY OF VENTURA } s.s.

On FEB. 13 TH. 1997 before me,

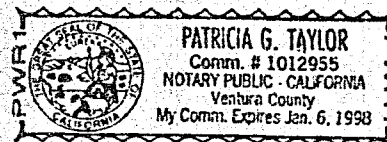
PATRICIA G. TAYLOR
a Notary Public in and for said County and State, personally appeared
JACK JAMAN

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal

Signature
F 2492 (1-91)

FOR NOTARY SEAL OR STAMP



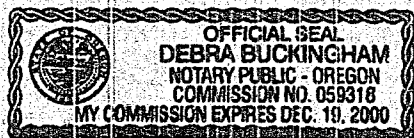
STATE OF OREGON,
County of Klamath } ss.

FORM No. 23—ACKNOWLEDGMENT.
Stevens-Nass Law Publishing Co. NL
Portland, OR 97204 © 1992

BE IT REMEMBERED, That on this 18th day of February, 1997,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named Randy L. Shaw

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 B. Buckingham
Notary Public for Oregon
My commission expires 12-10-2000

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of Randy Shaw the 18th day
of February A.D. 19 97 at 3:59 o'clock P. M., and duly recorded in Vol. M97
of Deeds on Page 4859

FEE \$25.00

by Bernetha G. Letsch, County Clerk
Kathleen Bass

Handwritten signature/initials

NOTARY PUBLIC FOR OREGON
My commission expires 12-31-99

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal and the seal of said County at the place and date
aforesaid.

Notary Public for Oregon
My commission expires 12-31-99

