

After recording return to:
Ball, Janik & Novack
One Main Place
101 S.W. Main Street, Suite 1100
Portland, OR 97204-3274
Attn.: Gary D. Cole

WARRANTY DEED

CROWN PACIFIC LIMITED PARTNERSHIP, A Delaware limited partnership, Grantor, conveys and warrants to SVE II, INC., an Oregon Corporation, Grantee, the real property in Klamath County, State of Oregon, legally described on the attached Exhibit A (the "Real Property"), free of encumbrances except as specifically set forth below and on the attached Exhibit B.

Grantor excepts from this conveyance and reserves unto Grantor and its successors and assigns all standing trees (both merchantable and pre-merchantable) and all down trees, in each case whether now in existence or hereafter growing, upon the Real Property. The reservation pursuant to this paragraph shall expire on the earlier to occur of (i) the date on which the holder of this reservation ("Holder") has completes the harvest of 204 million board feet of merchantable timber from Real Property, or (ii) 15 years after the date of this Deed; provided, however, that such 15 year period shall be extended by the number of days, if any, that harvesting of timber from Real Property is prevented by acts of God, insurrection, riot, labor disputes, governmental order, or other causes, similar or dissimilar, beyond the reasonable control of Holder; and provided further, that Holder shall promptly notify Grantee upon occurrence of the date described in clause (i) of this sentence. Upon expiration of this reservation, all rights with respect to trees then located on the Real Property shall automatically revert to Grantee or its successors or assigns. Holder execute, acknowledge, and deliver to Grantee or such successor or assign such instrument as may reasonably be requested to confirm such expiration and reversion.

Holder shall, during the term of the foregoing reservation, have the right to cut and remove from the Real Property any of the reserved trees, and, in connection with such activities, to go upon the Real Property, to construct, maintain, and repair roads thereon, and to store harvested timber on the Real Property prior to removal; provided that Holder of this reservation shall comply with applicable laws, rules, and regulations. Holder shall (a) indemnify and hold harmless Grantee and its successors and assigns from any and all claims, liabilities, damages, costs, and expenses (including, without limitation, reasonable attorney's fees) resulting from the exercise of the rights reserved in the foregoing reservation; and

After recording, all tax statements should be sent to: Crown Pacific, Ltd., 121 S.W. Morrison Street, Suite 1500, Portland, OR 97204 Attn.: Cheryl Justice

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15-111.

(b) pay all costs related to the construction, maintenance, and repair of any access roads used for the harvest of timber hereunder by Holder, to the extent resulting from use by or on behalf of Holder, including maintenance and repair of access roads owned by Grantee and its successors and assigns.

The consideration for this conveyance is property or value other than money.

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 FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

EXECUTED to be effective as of February 11, 1999.

CROWN PACIFIC LIMITED PARTNERSHIP, a
Delaware limited partnership

By: CROWN PACIFIC MANAGEMENT LIMITED
PARTNERSHIP, a Delaware limited partnership,
Its General Partner

By: HS Corp. of Oregon, a General Partner

By: *Roger L. Krage*
Roger L. Krage, Secretary

STATE OF OREGON

County of Multnomah

)
SS.

The foregoing instrument was acknowledged before me on this ____ day of February, 1999, by Roger L. Krage, who is Secretary of HS Corp. of Oregon, an Oregon corporation, a General Partner of Crown Pacific Management Limited Partnership, a Delaware limited partnership, the General Partner of Crown Pacific Limited Partnership, a Delaware limited partnership, on behalf of the limited partnership.



Kari L. Skyles
Notary Public for Oregon
My Commission Expires: 4-22-2002

EXHIBIT B

6845

CROWN PACIFIC L. P. to SVE II, INC.

TOWNSHIP 23 SOUTH, RANGE 9 EAST, W. M. in Klamath County, Oregon

- Section 5 GOVERNMENT LOTS 1 THROUGH 4, THE SOUTH HALF OF THE NORTH HALF AND THE WEST HALF OF THE SOUTHWEST QUARTER
- Section 19 GOVERNMENT LOTS 1 THROUGH 4, THE EAST HALF OF THE WEST HALF AND THE EAST HALF
- Section 30 GOVERNMENT LOTS 1 THROUGH 4, THE EAST HALF OF THE WEST HALF AND THE EAST HALF
- Section 31 GOVERNMENT LOTS 1 THROUGH 4, THE EAST HALF OF THE WEST HALF AND THE EAST HALF

TOWNSHIP 23 SOUTH, RANGE 11 EAST, W. M.

- Section 26 ALL
- Section 35 ALL
- Section 36 ALL

TOWNSHIP 24 SOUTH, RANGE 8 EAST, W. M.

- Section 20 ALL

TOWNSHIP 24 SOUTH, RANGE 11 EAST, W. M.

- Section 2 GOVERNMENT LOTS 1 THROUGH 4, THE SOUTH HALF OF THE NORTH HALF AND THE SOUTH HALF
- Section 11 ALL
- Section 15 ALL
- Section 16 ALL
- Section 17 THE NORTH HALF

6846

Section 13 THE NORTHEAST QUARTER, THE SOUTH HALF OF THE NORTHWEST QUARTER AND THE SOUTH HALF

Section 14 THE EAST HALF, THE NORTH HALF OF THE NORTHWEST QUARTER, THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER

TOWNSHIP 24 SOUTH, RANGE 9 EAST, W. M.

Section 5 GOVERNMENT LOTS 3 AND 4; THE SOUTH HALF OF THE NORTHWEST QUARTER, THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER AND THE SOUTH HALF OF THE SOUTHWEST QUARTER

Section 6 GOVERNMENT LOTS 1 THROUGH 7; THE SOUTH HALF OF THE NORTHEAST QUARTER, THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, THE EAST HALF OF THE SOUTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHEAST QUARTER

Section 7 GOVERNMENT LOTS 3 AND 4; THE EAST HALF OF THE SOUTHWEST QUARTER, THE SOUTHEAST QUARTER AND THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER

Section 8 THE WEST HALF AND THE WEST HALF OF THE SOUTHEAST QUARTER LESS THE RIGHT-OF-WAY FOR U. S. HIGHWAY #97

Section 16 ALL

Section 17 THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTH HALF LESS THE RIGHT-OF-WAY FOR U. S. HIGHWAY #97 PLUS THAT PORTION OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER LYING SOUTHEASTERLY OF THE EAST RIGHT-OF-WAY LINE FOR U. S. HIGHWAY #97; AND THAT PORTION OF THE NORTHWEST QUARTER LYING WESTERLY OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT IN THE NORTH LINE OF SECTION 17 THAT IS 1,312.72 FEET EAST OF THE NORTHWEST CORNER OF SECTION 17; THENCE PROCEEDING SOUTH FOR A DISTANCE OF 875.28 FEET, THENCE ON A BEARING OF SOUTH 31 DEGREES, 28 MINUTES WEST FOR 1184.00 FEET; THENCE ON A BEARING OF SOUTH 47 DEGREES, 28 MINUTES WEST FOR 540.00 FEET; THENCE ON A BEARING OF SOUTH 35 DEGREES, 29 MINUTES WEST FOR 323.70 FEET TO THE WEST QUARTER CORNER OF SECTION 17

Section 18 GOVERNMENT LOTS 1 THROUGH 4; THE EAST HALF OF THE WEST HALF; THE NORTHEAST QUARTER AND THE PORTION OF THE SOUTHEAST QUARTER THAT LIES WEST OF THE LITTLE DESCHUTES RIVER

Section 20 EAST HALF

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of CROWN PACIFIC of FEB A.D., 1999 at 1:51 o'clock P the 26th day of DEEDS on Page 6843 and duly recorded in Vol. M99

FEE \$45.00

Linda Smith, County Clerk
by Hathun Ross