

Recording Requested By
And When Recorded Mail To:

O'Melveny & Myers
153 East 53rd Street
53rd Floor
New York, New York 10022-4611
Attn: Francis J. Burgweger, Jr., Esq.

K-40835

ASSIGNMENT OF RENTS, LEASES, TIMBER CUTTING AND
PURCHASE CONTRACTS AND AUTHORIZATIONS

THIS ASSIGNMENT is made as of the 16th day of September, 1988 from CROWN PACIFIC, LTD., an Oregon corporation, whose address is 110 North Marine Drive, Portland, Oregon 97217 ("Assignor"), to BANKERS TRUST COMPANY, a New York banking corporation, whose address is Bankers Trust Plaza, New York, New York 10005 ("Agent"), as agent for the banks named in Schedule A attached hereto and made a part hereof and such other financial institutions as become parties to the Acquisition Loan Agreement (defined in the second Whereas Clause below) in accordance with the provisions thereof (the "Banks") for its benefit and the ratable benefit of the Banks (the Banks and Agent are collectively referred to as "Assignee").

WHEREAS, Assignor is the present owner of the real property described in Exhibit A attached hereto and made a part hereof (the "Land");

WHEREAS, Agent has agreed to act as agent for the Banks which are willing to issue a commitment (the "Commitment") to make loans (the "Loan") to Assignor, in an aggregate principal amount not to exceed Twenty-Five Million Dollars (\$25,000,00) pursuant to that certain Secured Acquisition Loan Agreement among Assignor, each of the Banks and Agent dated as of April 8, 1988, as amended (the "Acquisition Loan Agreement"), which Loan is evidenced by promissory notes, dated as of April 8, 1988, as amended and restated on September 16, 1988, issued by Assignor pursuant to the Acquisition Loan Agreement, which notes have been or will be delivered to and are payable to the order of each of the Banks (the "Note"). All capitalized terms used herein and not defined shall have the meanings ascribed to them in the Acquisition Loan Agreement;

WHEREAS, Assignor as borrower under the Acquisition Loan Agreement has applied a portion of the proceeds of the Loan to pay the costs of repaying certain indebtedness of Assignor and releasing an existing lien on the Land, which consists of timber-producing and other real property and all improvements, Timber and Minerals located thereon (the "Timberland");

88 SEP 16 AM 9 48

WHEREAS, the Banks, as a condition to extending and continuing the Loan, have required the execution and delivery of this Assignment by Assignor;

WHEREAS, the repayment of the Note and the performance of the obligations of Assignor under the Acquisition Loan Agreement are secured by and/or have the benefit of a Deed of Trust, Assignment of Rents and Fixture Filing Financing Statement, dated as of even date herewith, among Assignor as trustor, Ticor Title Insurance Company of California as trustee and Agent, for its benefit and the ratable benefit of the Banks, as Beneficiary, encumbering the Land and recorded concurrently with the recordation of this Assignment in the Official Records of the Counties of Lake and Klamath in the State of Oregon, and the Timberland Deed of Trust, Assignment of Rents and Fixture Filing Financing Statement dated as of April 8, 1988, by Debtor, as Trustor, to Ticor Title Insurance Company of California, as Trustee, and Agent, for its benefit and the ratable benefit of the Banks as Beneficiary which was recorded in (i) the Crook County Official Records, as Mortgage No. 87019, (ii) the Deschutes County Official Records as document No. 88-07113, Vol. 161 at pg. 1832, (iii) the County Court for Grant County as document No. 115285 in the Mortgage Book 59, at pg. 276, (iv) Jefferson County Instrument No. 880804, (v) the County Clerk's Office of Klamath County in Vol. M88 at pg. 5199 (Mortgages), (vi) the Microfilm Records of Wheeler County as document 9107 and assigned as No. M-25-116 (Mortgage), (such Deeds of Trust shall be referred to herein as the "Deed of Trust"), a Security Agreement, dated as of April 8, 1988, as amended, between Assignor as debtor and Agent, for its benefit and the ratable benefit of the Banks, as secured party (the "Security Agreement"), UCC-1 Financing Statements, UCC-1A Financing Statements and the Assignment of Rents, Leases, Timber Cutting and Purchase Contracts and Authorizations, the Assignment of Rents, Leases, Timber Cutting and Purchase Contracts and Authorizations, dated as of April 8, 1988, from Trustor, as assignor, to Agent, for its benefit and the ratable benefit of the Banks as assignee which was recorded in (i) the Crook County Official Records as Deeds No. 87020, (ii) the Deschutes County Official Records in Book 161, Page 1891, (iii) the County Court for Grant County in Book 59, Page 322 (Mortgages) and (iv) Jefferson County Instrument No. 880805, (v) the County Clerk's Office of Klamath County in Vol. M88 at Page 5246 (Mortgages), (vi) the Microfilm Records of Wheeler County as Microfilm No. M-25-117, and this Assignment of Rents, Leases, Timber Cutting and Purchase Contracts and Authorizations (collectively, together with any other document or instrument now or hereafter executed by Assignor granting to Agent or the Banks or both a security interest in, or Lien on, or present interest in, the Collateral, the "Security Documents");

NOW, THEREFORE, in consideration of the making of the Loan, Assignor does presently hereby represent, warrant, covenant and agree as follows:

1. Assignment.

(a) Matters Assigned. Assignor hereby presently assigns, conveys and transfers over to Assignee all of Assignor's right, title and interest now owned or hereafter acquired in and to the following:

(i) all (A) leases, subleases, franchises, licenses, tenancies, concessions and rental, hiring and occupancy agreements (including all guarantees, modifications, amendments, supplements, replacements, renewals and extensions thereof) covering, affecting or connected with the use, hiring, occupancy, management, harvesting, maintenance or operation of the Timberland or any portion thereof now or hereafter existing; and (B) all right, title and interest of Assignor thereunder including, without limitation, all cash or security deposits, advance rentals, and deposits or payments of similar nature (collectively the "Leases");

(ii) all crops and all trees, timber, whether severed or unsevered and including standing and down timber, stumps and cut timber remaining on the Land, and logs and other forest products, whether now located on or hereafter planted or growing in or on the Land ("Timber") and all agreements, contracts or arrangements whereby Assignor has granted, grants or will grant rights to other Persons to cut, harvest or otherwise remove Timber from the Land (the "Cutting Rights Agreements") and all purchase orders, purchase and sale agreements or other arrangements whereby Assignor, as seller, is or may become obligated to cut, harvest or otherwise remove Timber (whether from the Land or elsewhere) and sell or deliver such Timber to third Persons (the "Purchase Orders") and all agreements, contracts or arrangements whereby third Persons have granted or will grant to Assignor the right to cut, harvest or otherwise remove Timber from property other than the Timberland and all rights of Assignor to cut, harvest or otherwise remove Timber from property other than the Timberland (the "Harvesting Contracts").

(iii) the Cutting Rights Agreements, Purchase Orders and Harvesting Contracts (collectively the "Timber Agreements") identified on Exhibit B attached hereto and made a part hereof;

(iv) all water, steam, thermal energy and other geothermal resources and all oil, gas, hydrocarbons, gravel,

phosphate, limerock, coal and other mineral resources and subterranean substances, and all existing or hereafter acquired surface and subsurface water and water rights and shares of stock evidencing the same, and all products thereof in, on, under or pertaining to the Land (the "Minerals") and all surface access and mining rights in, on, under or pertaining to the Land, and all royalty, leasehold and other rights of Assignor pertaining thereto and all agreements providing for the payment to Assignor of royalties (including overriding royalties) or other payments derived from any part of the Land and all production payments, farm-out agreements, unit agreements and other similar agreements and rights pertaining thereto (collectively the "Mineral Rights");

(v) any and all present and future amendments, modifications, supplements, extensions and renewals to any of the contracts, agreements, arrangements and rights described in clauses 1(a)(i) through (iv) inclusive, and all guaranties of the obligations of any third Persons thereto (collectively the "Related Rights");

(vi) all the revenues, rents, issues, profits, royalties, proceeds, income and other benefits derived from the Timber, the Timber Agreements, the Minerals, the Mineral Rights and the Related Rights described in clauses 1(a)(i) through (v) inclusive above (collectively the "Rents"); and

(vii) each of the permits, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, environmental approvals and other authorizations, whether now existing or hereafter issued to or obtained by or on behalf of Assignor, that relate to or concern the Timberlands in any way and are given or issued by any Governmental Agency or quasi-governmental Person (the "Authorizations").

(Each of the Leases, Cutting Rights Agreements, Purchase Orders, Harvesting Contracts, Mineral Rights, Related Rights and Authorizations is sometimes referred to as an "Assigned Agreement" and collectively sometimes referred to as the "Assigned Agreements".)

(b) Rights Included in Assignment. The foregoing assignment includes, without limitation, all rights of Assignor under the Assigned Agreements:

(i) to demand, sue for and receive payment of the Rents and all awards in lieu thereof made in any bankruptcy, insolvency or reorganization proceedings;

(ii) to sue for and receive damages payable to Assignor upon termination of any of the Assigned Agreements;

(iii) to sue for and receive damages arising upon default by the other party to any of the Assigned Agreements;

(iv) to cure any defaults by Assignor under the Assigned Agreements; and

(v) to give or receive any notice, consent, waiver or approval under the Assigned Agreements, to exercise any election or option thereunder or in respect thereof, or any release or other instrument, and to do any and all other things Assignor is entitled to do under the Assigned Agreements.

(c) Assignor's Rights Prior to Default. Unless and until the occurrence and continuance of an Event of Default by Assignor under the Acquisition Loan Agreement, Assignor shall have the right, subject to the provisions of the Acquisition Loan Agreement, to exercise all rights under or with respect to the Assigned Agreements, including the right to receive and collect all Rents, provided that in any event all Rents received or collected prior to, after the occurrence of and during an Event of Default shall be deposited in the appropriate Deposit Account as required by Section 2.7 of the Acquisition Loan Agreement. Notwithstanding anything to the contrary contained herein, Assignor shall not amend, modify, supplement, surrender, terminate or cancel any Assigned Agreement or waive, release or discharge any right or claim thereunder or permit any of the foregoing whether or not an Event of Default shall have occurred, without the prior written consent of Agent.

2. Extent of Assignee's Obligations.

(a) Assignee Not Responsible Prior to Exercise of Rights. It is expressly understood and agreed by Assignor that unless and until Assignee exercises its rights to enter upon and take possession of the Timberland in accordance with Section 3:

(i) neither Assignee, Agent nor any Bank assumes any of Assignor's obligations concerning any Assigned Agreement;

(ii) nothing contained herein shall obligate Assignee, Agent or any Bank to perform any of the agreements, covenants or obligations contained in any Assigned Agreement or otherwise impose any obligation upon Assignee, Agent or any Bank with respect to any Assigned Agreement;

(iii) this Assignment shall not place upon Assignee, Agent or any Bank any responsibility for the operation, control, care, or management of the Timberland or

any portion thereof, it being understood and agreed by Assignor that all responsibility for the operation, control, care, or management of the Timberland shall be that of Assignor prior to the exercise by Assignee of its rights of entry and possession under Section 3.

(b) Assignor Remains Responsible. Notwithstanding any other provision contained in this Assignment, (i) Assignor shall at all times remain liable under the Assigned Agreements to perform, and shall perform, all of its obligations thereunder to the same extent as if this Assignment had not been executed, (ii) the exercise by Assignee of any of the rights assigned hereunder shall not release Assignor from any of its obligations under any Assigned Agreement or the Loan Documents, (iii) Assignee shall be under no obligation to cure any default of Assignor under any Assigned Agreement nor be liable for such default and (iv) Assignee shall not be bound by any payment to Assignor of Rent under any Lease for more than one month in advance.

(c) Assignee in Possession. No entry by Assignee upon the Timberland under the terms of this Assignment shall make Assignee a party in possession in contemplation of the law, except at the option of Assignee, exercised by giving written notice thereof to Assignor.

3. Default by Assignor.

(a) Entry by Assignee. In furtherance of the foregoing assignment, Assignor hereby authorizes Assignee, by Agent or its employees, at its option to be exercised by written notice by Agent to Assignor, after the occurrence and during the continuation of an Event of Default, to enter upon the Timberland (and Assignor immediately after demand by Agent shall surrender possession of the Timberland to Agent) and to collect in the name of Assignor or in its own name or in the name of the Banks, the Rents accrued but unpaid and in arrears at the date of the Event of Default, as well as the Rents thereafter accruing and becoming payable during the continuance of the Event of Default and to observe, perform and discharge all of the obligations agreed to be performed by, or imposed upon, Assignor under the Assigned Agreements, and/or perform all acts which Agent deems necessary or advisable in its sole discretion to protect the benefits and security thereof. To this end, Assignor hereby irrevocably authorizes and directs each person who shall be a party to or liable for the performance of any of the Assigned Agreements, upon written notice from Agent after the occurrence of an Event of Default to attorn to the Banks as owner of the Assigned Agreements and to pay Rents to, and to observe and perform the obligations under the Assigned Agreements to or for, Agent and accept performance of same from Agent as though the Banks were the party named in the Assigned Agreements. Assignor hereby irrevocably constitutes and appoints Agent as its attorney-in-fact, with full

power of substitution, which power is coupled with an interest, upon the occurrence and during the continuation of an Event of Default, acting in Agent's own name, to enforce and carry out the foregoing rights.

(b) Management by Assignee. Assignor also hereby authorizes Assignee upon the occurrence and during the continuance of an Event of Default, at Assignee's option, to assume the management, operation and maintenance of the Timberland and to perform all acts Agent in its sole discretion deems necessary and proper and to expend such sums out of Rents as may be needed in connection therewith, in the same manner and to the same extent as Assignor might have done, including, without limiting the generality of the foregoing, the right to effect new Assigned Agreements, to cancel, surrender, alter or amend the terms of, and/or renew then-existing Assigned Agreements, and/or to make concessions to parties to the Assigned Agreements. Assignor hereby releases, waives and discharges all claims of any kind or nature against Assignee, Agent or any Bank arising out of such use, management, operation and maintenance, or by virtue of this Assignment, excepting the liability of Assignee, Agent or any Bank to account as hereinafter set forth and excepting claims arising from Assignee's, Agent's or any Bank's gross negligence or willful misconduct. Assignee, Agent and the Banks shall not be liable for any damage occurring during Assignee's possession of the Timberland except damage arising from Assignee's, Agent's or any Bank's gross negligence or willful misconduct. Upon such entry pursuant to Section 3(a), Agent shall, after payment of all proper charges and expenses, including, without limitation, reasonable compensation to such manager as it may select and employ, and after the accumulation of a reasonable reserve to meet foreseeable Operating Expenses payable in connection with the Timberland, credit the net amount of the Rents received by it by virtue of this Assignment to any amounts due and owing to Assignee by Assignor under the terms of the Security Documents and the Note, the Acquisition Loan Agreement, the Timber Maintenance Agreement and Ochoco Deposit Agreement (collectively the "Loan Documents"), in the order of priority set forth in the Acquisition Loan Agreement. Assignee shall not be accountable for more monies than it actually receives from the Timberland; nor shall it be liable for failure to collect Rents.

(c) No Cure of Default. The exercise of any of the foregoing rights or remedies by Assignee, Agent or any Bank shall not cure or waive any Event of Default or waive, modify or affect any notice of Event of Default under any of the foregoing, or invalidate any act done pursuant to any such notice. The exercise of such rights shall not constitute a waiver of any of the remedies of Assignee, Agent or any Bank under the Loan Documents, or existing at law or in equity.

(d) Assignment upon Foreclosure. Assignee is hereby authorized, but not required, to assign the Assigned Agreements with or without consideration to any person claiming title to the Timberland or any part thereof by virtue of foreclosure proceedings under the Deed of Trust; to sell the same with the Timberland in the event of a foreclosure of the Deed of Trust by power of sale or otherwise as though the Assigned Agreements had been assigned in and by the Deed of Trust; and to assign the Assigned Agreements with or without consideration to or for the benefit of anyone who purchases the Note and to whom the Deed of Trust is assigned; provided, that after a foreclosure of the Deed of Trust no such assignee of Assignor's interest in the Assigned Agreements shall be liable to account to Assignor for any Rents thereafter accruing.

4. No Impairment of Benefits. Assignor covenants not to do any act which would destroy or impair the benefits to Assignee of this Assignment.

5. Enforcement and Performance. Assignor shall at all times diligently enforce or cause to be enforced its rights in, and the obligations of the other parties to, the Assigned Agreements and shall promptly perform all of the obligations of Assignor under the Assigned Agreements and shall give prompt notice to Agent of any claim made by any other party thereto that Assignor has failed to perform any of said obligations and shall promptly deliver to Agent copies of all notices, demands, complaints, or other communications received by or given by Assignor in connection with the Assigned Agreements, unless otherwise directed by Agent in writing, and shall, at Assignor's sole cost and expense, appear in and defend Assignee, Agent and any Bank in any action or proceeding in any way connected with any of the Assigned Agreements (unless relating to the claim of any person claiming solely by, through or under Assignee, Agent or any Bank), and shall pay all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, which Assignee, Agent or any Bank may incur in connection with Assignee's, Agent's or any Bank's appearance, voluntarily or otherwise, in any such action or proceeding (unless relating to any such claim).

6. Indemnity. Assignor shall indemnify, defend and hold harmless Assignee and all present, past and future holders of the Note from and against any and all losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs, and expenses, howsoever and by whomsoever asserted, arising out of or in any way connected with this Assignment or the Assigned Agreements (including without limitation any alleged negligence of Assignee, Agent or any Bank or any alleged obligation or undertaking on Assignee's, Agent's or any Bank's part to perform or discharge any of the obligations contained in any Assigned Agreement); and all such losses, liabilities, obligations, claims, demands, damages, penalties, judgments, costs and expenses shall

be deemed added to the indebtedness secured by the Security Documents and shall be secured thereby. Notwithstanding any other provision of this Section 6, Assignor shall not be obligated to indemnify and hold harmless Assignee, Agent or any Bank or any such holder of the Note from and against any claims, suits, proceedings, costs or expenses which arise out of Assignee's, Agent's or any Bank's or any such Note holder's gross negligence or willful misconduct. The provisions of this Section 6 shall not apply to any loss, liability, obligation, claim, demand, damage, penalty, judgment, cost or expense to the extent that any of the foregoing arises out of any event or transaction occurring after foreclosure of the Deed of Trust.

7. Reimbursement of Expenditures; Interest Rate on Default. Assignor shall pay, immediately upon demand, all sums expended by Assignee, Agent or any Bank under the authority hereof, together with interest thereon at the rate specified in the Acquisition Loan Agreement for interest on the Note after Events of Default.

8. Notice of Default to Other Parties. Assignor hereby agrees that the giving of written notice by Agent to any party (other than Assignor) under any of the Assigned Agreements, of the occurrence and continuation of an Event of Default shall be absolute and unconditional as to any performance required by any other party to such Assigned Agreement, on and after the date of such notice. Such other party shall be entitled to rely exclusively on any such notice given by Agent and shall not incur any liability to Assignor or any other party by reason of any action taken in reliance upon any such notice.

9. Representations and Warranties. Assignor represents and warrants: that the copies of the Assigned Agreements delivered to Agent are true, correct and complete and represent all of the Assigned Agreements entered into by, or issued to, Assignor as of the date of delivery to Agent; that the Assigned Agreements have not been amended or modified except as disclosed in writing to Agent; that Assignor has not made any previous assignment, transfer or encumbrance of its interest in any of the Assigned Agreements, and has not made any prior assignment of the Rents and Assignor agrees not to assign, sell, pledge, transfer, or otherwise encumber its interest in the Rents or any of the Assigned Agreements, except as permitted in the Acquisition Loan Agreement; that no default by Assignor exists under any of the Assigned Agreements and that no event has occurred or exists which, with notice or lapse of time or both, would constitute a default by Assignor thereunder; and that, to the best knowledge of Assignor, no default by any other party exists under any Assigned Agreement and no event has occurred or exists which, with notice or lapse of time or both, would constitute a default by any such party thereunder.

10. Notice. All notices hereunder shall be delivered in accordance with the provisions set forth in the Acquisition Loan Agreement.

11. Term of Assignment. This Assignment shall remain in full force and effect as long as the Note and any other Obligations of Assignor to Assignee, Agent or the Banks, remain unpaid or outstanding or any Commitment of any Bank to Assignor under the Acquisition Loan Agreement remains outstanding; provided that full reconveyance of the Deed of Trust by Assignee upon payment in full of the Note and other Obligations shall operate as a full and complete release of all of Assignee's (and its successors' and assigns') rights and interests hereunder, and after the Deed of Trust has been fully reconveyed, this Assignment shall be void and of no further effect.

12. Interpretation.

(a) Successors. The provisions of this Assignment shall be binding upon Assignor, its legal representatives, successors and assigns and shall be for the benefit of Assignee, its successors and assigns.

(b) Rights Cumulative; No Waiver. The rights granted Assignee under this Assignment or other Loan Documents or allowed it by law or equity shall be cumulative and may be exercised at any time and from time to time. No failure on the part of Assignee to exercise, and no delay in exercising, any right shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by Assignee of any right preclude any other or future exercise thereof or the exercise of any other right.

(c) Severance. If any provision of this Assignment or any application of any provision shall have been declared invalid, illegal or unenforceable by any court of competent jurisdiction in any jurisdiction, such declaration shall not affect or impair the validity, legality and enforceability of such provisions in any other jurisdiction or of any other provisions of this Assignment or of the other Loan Documents or any other application of such provisions.

(d) Amendment. This Assignment may not be amended, modified or changed, nor shall any waiver of any provision hereof be effective, except by an instrument in writing signed by the party against whom enforcement of the amendment, modification, change or waiver is sought.

(e) Choice of Law; Courts; Service of Process. The residence and principal place of business of the Agent is the State of New York. The parties have agreed that the substantive laws of the State of New York will be applicable for the purpose

of determining the interpretation and validity of all of the Loan Documents and to the greatest extent possible, the rights of the parties under the Deed of Trust and this Assignment of Rents. The law of the State of Oregon will be applicable for purposes of determining Beneficiary's right to obtain a deficiency judgment for foreclosure of the Deed of Trust and this Assignment of Rents (to the extent that this Assignment of Rents affects real property) and for the determination of the procedure for exercise of Beneficiary's rights contained in the Deed of Trust and this Assignment of Rents (to the extent that this Assignment of Rents affects real property).

(f) Further Assurance. Assignor shall execute and deliver to Assignee, during the term of this Assignment, such further instruments or assignments as may be necessary to make this Assignment effective. This Assignment is intended to cover the Rents and all Assigned Agreements now or hereafter created which affect the Land or the Timberland. Nevertheless, Assignor agrees to execute specific assignments of the Rents and all Assigned Agreements hereafter made or entered into affecting any portion of the Land or the Timberland at any time on demand of Assignee. Furthermore, Assignor agrees to deliver to Assignee copies of all Assigned Agreements as and when executed or received.

(g) Counterparts. This Assignment may be executed in several original counterparts. To facilitate filing and recording, there may be omitted from certain counterparts the parts of Exhibit A hereto containing specific descriptions of certain Land which relate to land under the jurisdiction of offices or located in cities, towns or counties other than the office or city, town or county in which the particular counterpart is to be filed or recorded. A complete copy of this Assignment is being filed for record in the Office of the County Recorder of Deschutes County, Oregon. Each counterpart shall be deemed to be an original for all purposes, and all counterparts shall together constitute but one and the same instrument; provided, however, Assignee shall also have the option to exercise all rights and remedies available to Assignee hereunder and under applicable law as though each counterpart hereof were a separate Assignment covering only the portions of the Land located in the city, town or county wherein such counterpart is recorded.

15251

IN WITNESS WHEREOF, Assignor has executed this
Assignment as of the day and year first above written.

Address:

1500 Southwest First Avenue
Suite 1170
Portland, Oregon 97201

CROWN PACIFIC, LTD.,
an Oregon corporation

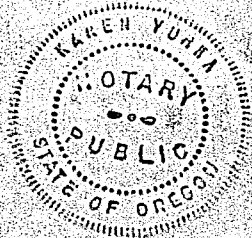
By: 

Roger L. Krage
Secretary

STATE OF OREGON)
County of Multnomah) ss.

15252

This instrument was acknowledged before me on
September 14, 1988 by Roger L. Krage as the
Secretary of CROWN PACIFIC, LTD., an Oregon corporation.



Karen Yurka
Notary Public in and for said State
and County
My Commission Expires: 6-1-90

SCHEDULE A
NAMES OF THE BANKS

15253

Name:

Bankers Trust Company,
a New York banking corporation

Address:

Bankers Trust Plaza
New York, New York 10005

Name:

United States National Bank of Oregon,
a national banking association

Address:

321 Southwest Sixth Avenue
P.O. Box 4412
Portland, Oregon 97208
Attn: Sally J. Williams, A.V.P.
Commercial Services

**EXHIBIT A
TO
ASSIGNMENT OF RENTS AND LEASES
(DESCRIPTION OF THE LAND)**

That certain land (the "Land") located in the Counties of Lake and Klamath in the State of Oregon, more particularly described as follows:

Township 23 South, Range 10 East of the Willamette Meridian

- Section 1: Government Lots 1, 2, 3 and 4, S1/2 NE1/4, SW1/4 NW1/4, S1/2
- Section 2: SE1/4 SE1/4
- Section 11: NE1/4 NE1/4
- Section 12: N1/2, NE1/4 SE1/4
- Section 13: NE1/4 NE1/4
- Section 24: E1/2 E1/2, SW1/4 SE1/4
- Section 25: NW1/4 NE1/4, NE1/4 NW1/4
- Section 36: N1/2 NE1/4, SW1/4 NE1/4

Township 23 South, Range 11 East of the Willamette Meridian

- Section 5: All
- Section 6: All
- Section 7: All
- Section 8: All
- Section 17: All
- Section 18: All
- Section 19: All
- Section 20: All
- Section 26: All
- Section 27: All
- Section 28: All
- Section 29: All
- Section 30: All
- Section 31: Governments Lots 1 thru 9, 16 thru 20, E1/2
- Section 32: All
- Section 33: All
- Section 34: All
- Section 35: All
- Section 36: All

Township 24 South, Range 11 East of the Willamette Meridian

- Section 2: All
- Section 3: All
- Section 4: All
- Section 5: All
- Section 8: All
- Section 9: All
- Section 10: All

Section 11: All
Section 15: All
Section 16: All
Section 17: N1/2

Township 25 South, Range 11 East of the Willamette Meridian

Section 25: SE1/4 SE1/4
Section 36: All

EXHIBIT A
TO
ASSIGNMENT OF RENTS AND LEASES
(DESCRIPTION OF THE LAND)

That certain land (the "Land") located in the Counties of Lake and Klamath in the State of Oregon, more particularly described as follows:

PARCEL 1:

Township 25 South, Range 12 East of the Willamette Meridian:

- Section 28: NE $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 29: S $\frac{1}{4}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 30: S $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 31: Government Lot 1.
- Section 32: N $\frac{1}{4}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NE $\frac{1}{4}$, N $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 33: S $\frac{1}{4}$ N $\frac{1}{4}$, SE $\frac{1}{4}$.
- Section 34: SW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$, N $\frac{1}{4}$ S $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$.

Township 26 South, Range 12 East of the Willamette Meridian:

- Section 1: Government Lots 1, 2, 3, and 4.
- Section 2: SW $\frac{1}{4}$.
- Section 3: Government Lots 1, 2, 3, 4, S $\frac{1}{4}$.
- Section 4: Government Lots 7, 8, 9, 10, S $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 5: Government Lots 1, 2, 3, 4, 11, 12, SW $\frac{1}{4}$, S $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 6: Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 14, NE $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 10: E $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 11: NE $\frac{1}{4}$, S $\frac{1}{4}$.
- Section 13: NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 14: W $\frac{1}{4}$ E $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$, S $\frac{1}{4}$ NW $\frac{1}{4}$.
- Section 15: All.
- Section 16: All.
- Section 22: NE $\frac{1}{4}$, W $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 23: NE $\frac{1}{4}$, N $\frac{1}{4}$ NW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, E $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 24: N $\frac{1}{4}$, W $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, N $\frac{1}{4}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 25: NW $\frac{1}{4}$ NW $\frac{1}{4}$.
- Section 26: NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$.
- Section 27: All.
- Section 34: E $\frac{1}{4}$.
- Section 35: N $\frac{1}{4}$, N $\frac{1}{4}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SW $\frac{1}{4}$, E $\frac{1}{4}$ SE $\frac{1}{4}$.
- Section 36: All.

Township 26 South, Range 13 East of the Willamette Meridian:

- Section 18: Government Lots 1, 2, 3, 4, E $\frac{1}{4}$ W $\frac{1}{4}$.
- Section 19: All.
- Section 30: E $\frac{1}{4}$ NW $\frac{1}{4}$.

Township 27 South, Range 12 East of the Willamette Meridian:

Section 1: All.
 Section 2: Government Lots 1, 3, 4, S½N½, NE½SW½, S½SW½, SE½.
 Section 3: Government Lots 1, 2, 3, 4, S½N½, NE½SE½, S½SE½.
 Section 4: Government Lot 1.
 Section 11: N½N½.
 Section 12: N½, N½SE½.

Township 27 South, Range 13 East of the Willamette Meridian:

Section 9: E½SW½, SE½.
 Section 16: N½, SW½, N½SE½, SW½SE½.

PARCEL 2:

Beginning at a point of intersection of the East line of a County Road running along the West line of the NW½SW½ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, with South line of County Road running East and West, which point is 340 feet South and 30 feet East of the Northwest corner of the NW½SW½ of said Section 22; thence running East along the South line of the County Road to a point which is the Northwest corner of a tract of land described in Book 64 page 191 of the Record of Deeds, thence South along the West line of said Tract, 115 feet to the Southwest corner thereof; thence East along the extended South line of said Tract, 260 feet to a point; thence South along the West margin of those tracts described in Book 170 at page 114, Book 171 at page 182, Book 121 at page 473 and Book 171 at page 181 of the Record of Deeds for Lake County, Oregon, to a point on the South line of said NW½SW½ of Section 22; thence West along the South line of said NW½SW½ to a point on the East margin of the County Road along the West side of said NW½SW½; thence North along the East margin of said County Road 80 feet, more or less, to the Southwest corner of a tract of land described in Book 172 at page 277 of the Record of Deeds; thence East 209 feet to the Southeast corner of said Tract; thence North 209 feet to the Northeast corner of said Tract; thence West 209 feet to a point on the East margin of the County Road; thence North along the East margin of said County Road, 705 feet more or less, to the point of beginning. EXCEPTING THEREFROM, the following described parcels, to wit:

Beginning at a point 1045 feet South and 269 feet West of the Northeast corner of the NW½SW½ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence South 209 feet; thence West 104½ feet; thence North 209 feet; thence East 104½ feet to the place of beginning. (Book 66 page 602 R/D)

Beginning at a point 1045 feet South and 807 feet West of the Northeast corner of the NW½SW½ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 209 feet; thence West 209 feet; thence North 209 feet; thence East 209 feet to the point of beginning. (Book 66 page 17 R/D.)

ALSO EXCEPTING THEREFROM, that portion of the following described property, lying within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, described as follows: Beginning at a point 1314 feet South and 1076 feet West of the Northeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 209 feet; thence West 209 feet; thence North 209 feet; thence East 209 feet to the place of beginning. (Book 66 page 16 R/D.)

ALSO EXCEPTING THEREFROM, that portion of the following described property lying within the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, described as follows: Beginning at a point 1314 feet South and 963 $\frac{3}{4}$ feet West of the Northeast corner of the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 104 $\frac{1}{2}$ feet; thence East 52 $\frac{1}{2}$ feet; thence South 104 $\frac{1}{2}$ feet; thence West 104 $\frac{1}{2}$ feet; thence North 209 feet; thence East 52 $\frac{1}{2}$ feet to the place of beginning. (Deed Book 64 page 194 R/D.)

SAVING AND EXCEPTING all standing timber* as conveyed in Warranty Timber Deed given by Crown Pacific, Ltd., a corporation to Scott Timber Co., dated April 5, 1988, recorded April 8, 1988, in Volume 209 page 326, Deed records of Lake County, Oregon.

EXHIBIT B
TO
ASSIGNMENT OF RENTS, LEASES, TIMBER CUTTING
AND PURCHASE CONTRACTS AND AUTHORIZATIONS

All of Debtor's present and future right, title and interest in that certain Contract for Sale of Timber dated April 5, 1988 between Debtor and Scott Timber Co. and in that certain Warranty Timber Deed from Debtor to Scott Timber Co. dated April 5, 1988.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 16th day
of Sept. A.D., 1988 at 9:48 o'clock A. M., and duly recorded in Vol. M88,
of Mortgages on Page 15240
FEE \$103.00
Evelyn Biehn County Clerk
By Shirley Mullins