

K-40835

MEMORANDUM OF INTERCREDITOR AGREEMENT

Recording Requested By and
When Recorded Mail To:

O'Melveny & Myers
153 East 53rd Street
53rd Floor
New York, NY 10022-4611
Attn.: Mr. Wolinsky

THIS MEMORANDUM is made as of the 18th day of November, 1988, by and between BANKERS TRUST COMPANY, a New York banking corporation, as agent ("Agent") for Bankers Trust Company and United States National Bank of Oregon (collectively the "Banks"), and CAPITAL CONSULTANTS, INC., an Oregon corporation ("CCI").

WITNESSETH: Agent and CCI have entered into that certain Intercreditor Agreement dated November 18, 1988 (the "Agreement") whereby the parties established and/or reiterated the priorities of their respective interests as between themselves and Crown Pacific, Ltd., an Oregon corporation ("Borrower") in and to certain collateral which secures loans made by the Banks to the Borrower (the "Collateral"). The real property which comprises part of the collateral is described in the following recorded Timberland Deeds of Trust, Assignments of Rents and Fixture Filing Financing Statements:

<u>County</u>	<u>Recordation</u>		
	<u>Book and</u>	<u>Inst.</u>	<u>Date</u>
	<u>Page</u>	<u>No.</u>	
Crook		87019	4/8/88
Deschutes	161 1832		4/8/88
rerecorded	166 1262		7/6/88
Grant	59 776		4/8/88
Wheeler		M-25-166	4/8/88
Jefferson		880804	4/8/88
Klamath	M88 5199		4/8/88
Klamath	M88 15191		9/16/88
Lake	(See Exhibit A attached)		

The Agreement, among other things, states that any lien, charge or security interest that CCI may acquire in the Collateral shall at all times unconditionally be and remain junior, subject and subordinate to the lien, charge or security interest created in favor of the Agent and the Banks.

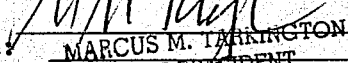
88 NOV 20 AM 8 56

The Agreement is binding on all successors and assigns of the parties thereto.

Reference is hereby made to executed copies of the Intercreditor Agreement in possession of Agent and CCI, for all the provisions thereof, and such provisions are by this same reference incorporated herein and made a part hereof in all respects as though fully set forth herein.

BANKERS TRUST COMPANY,
a New York Banking
corporation, as Agent

CAPITAL CONSULTANTS, INC.,
an Oregon corporation

By: 
Name: MARCUS M. TARRINGTON
Title: VICE PRESIDENT

By: _____
Name: _____
Title: _____

CONSENT

CROWN PACIFIC, LTD., an Oregon corporation, hereby consents to and joins in the foregoing.

CROWN PACIFIC, LTD.,
an Oregon corporation

By: _____
Name: _____
Title: _____

The Agreement is binding on all successors and assigns of the parties thereto.

Reference is hereby made to executed copies of the Intercreditor Agreement in possession of Agent and CCI, for all the provisions thereof, and such provisions are by this same reference incorporated herein and made a part hereof in all respects as though fully set forth herein.

BANKERS TRUST COMPANY,
a New York Banking
corporation, as Agent

CAPITAL CONSULTANTS, INC.,
an Oregon corporation

By: _____
Name: _____
Title: _____

By: William D. Schaub
Name: WILLIAM D. SCHAUB
Title: Vice President/Manager

CONSENT

CROWN PACIFIC, LTD., an Oregon corporation, hereby consents to and joins in the foregoing.

CROWN PACIFIC, LTD.,
an Oregon corporation

By: Robert Grace
Name: ROBERT GRACE
Title: Secretary

STATE OF NEW YORK)
) ss.
 COUNTY OF NEW YORK)

On this 18th day of November, 1988, before me, the undersigned, a Notary Public in and for said state, personally appeared Marcus M. Torkington, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Vice President of Bankers Trust Company, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Barbara Kurdziel
 Notary Public in and for
 said State (Seal)

BARBARA KURDZIEL
 Notary Public, State of New York
 No. 41-4924442
 Qualified in Queens County
 Commission Expires March 21, 1990

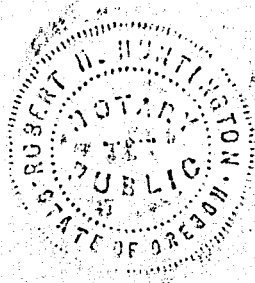
STATE OF OREGON

COUNTY OF MULTNOMAH

SS.

On this 18th day of November, 1988, before me, the undersigned, a Notary Public in and for said state, personally appeared WILLIAM D. SCHAUB, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the VICE PRESIDENT / COUNSEL of Capital Consultants, Inc., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



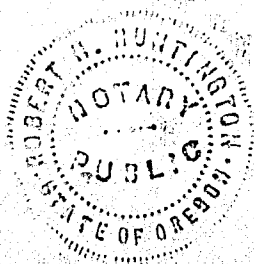
Robert H. Huntington
 Notary Public in and for
 said State (Seal)

MY COMMISSION EXPIRES 8/31/92

STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

On this 18th day of November, 1988, before me, the undersigned, a Notary Public in and for said state, personally appeared Roger L. Krage, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Secretary of Crown Pacific, Ltd., the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.



Robert H. Huntington
Notary Public in and for
said State (Seal)
MY COMMISSION EXPIRES 8/31/92

EXHIBIT "A"

DESCRIPTION OF PROPERTY

The following described real property situate in Lake County,
Oregon:

PARCEL 1:

Township 25 South, Range 12 East of the Willamette

Meridian:

- Section 28: NE1/4 SW1/4, SW1/4 SW1/4.
- Section 29: S1/2 NE1/4, NE1/4 NW1/4, SW1/4 NW1/4, SE1/4 SW1/4 SE1/4.
- Section 30: S1/2 E1/4, E1/2 SW1/4, N1/2 SE1/4, SW1/4 SE1/4.
- Section 31: Government Lot 1.
- Section 32: N1/2 NE1/4, SE1/4 NE1/4, N1/2 NW1/4, SE1/4 NW1/4, SW1/4, NE1/4 SE1/4.
- Section 33: S1/2 N1/2, SE1/4.
- Section 34: SW1/4 NE1/4, S1/2 NW1/4, N1/2 S1/2, SW1/4 SW1/4.

Township 26 South, Range 12 East of the Willamette

Meridian:

- Section 1: Government Lots 1, 2, 3, and 4.
- Section 2: SW1/4.
- Section 3: Government Lots 1, 2, 3, 4, S1/2.
- Section 4: Government Lots 7, 8, 9, 10, S1/2 SW1/4, E1/2 SE1/4.
- Section 5: Government Lots 1, 2, 3, 4, 11, 12, SW1/4, S1/2 SE1/4.
- Section 6: Government Lots 1, 2, 3, 4, 5, 6, 7, 8, 14, NE1/4 SE1/4.
- Section 10: E1/2 NW1/4, W1/2 SW1/4, SE1/4 SW1/4, W1/2 SE1/4.
- Section 11: NE1/4, S1/2.
- Section 13: NW1/4 SW1/4, SE1/4 SW1/4.
- Section 14: W1/2 E1/2, NW1/4 NW1/4, S1/2 NW1/4.
- Section 15: All.
- Section 16: All.
- Section 22: NE1/4, W1/2, N1/2 SE1/4, SW1/4 SE1/4.
- Section 23: NE1/4, N1/2 NW1/4, SE1/4 NW1/4, E1/2 SW1/4, N1/2 SE1/4, SW1/4 SE1/4.
- Section 24: N1/2, W1/2 SW1/4, SE1/4 SW1/4, N1/2 SE1/4, SW1/4 SE1/4.
- Section 25: NW1/4 NW1/4.
- Section 26: NW1/4, NW1/4 SW1/4, SE1/4 SW1/4.
- Section 27: All.
- Section 34: E1/2.

Section 35: N1/2, N1/2 SW1/4, SW1/4 SW1/4, E1/2 SE1/4.
 Section 36: All.

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

Section 18: Government Lots 1, 2, 3, 4, E1/2 W1/2.
 Section 19: All.
 Section 30: E1/2 NW1/4.

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

Section 1: All.
 Section 2: Government Lots 1, 3, 4, S1/2 N1/2, NE1/4 SW1/4,
 S1/2 SW1/4, SE1/4.
 Section 3: Government Lots 1, 2, 3, 4, S1/2 N1/2, NE1/4
 SE1/4,
 S1/2 SE1/4.
 Section 4: Government Lot 1.
 Section 11: N1/2 N1/2.
 Section 12: N1/2, N1/2 SE1/4.

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

Section 9: E1/2 SW1/4, SE1/4.
 Section 16: N1/2, SW1/4, N1/2 SE1/4, SW1/4 SE1/4.

PARCEL 2:

Beginning at a point of intersection of the East line of a County Road running along the West line of the NW1/4 SW1/4 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 NW1/4 SW1/4 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 NW1/4 SW1/4 of Section 22; thence West along the South line of said NW1/4 SW1/4 to a point on the East margin of the County Road along the West side of said NW1/4 SW1/4; 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 NW1/4 SW1/4 of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence South 209 feet; thence West 104 1/2 feet; thence North 209 feet; thence East 104 1/2 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 NW1/4 SW1/4 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 point of beginning. (Book 66 page 17 R/D.)

ALSO EXCEPTING THEREFROM, that portion of the following described property, lying within the NW1/4 SW1/4 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 NW1/4 SW1/4 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 NW1/4 SW1/4 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 3/4 feet West of the Northeast corner of the NW1/4 SW1/4 of Section 22, Township 28 South, Range 14 East of the Willamette Meridian, thence running South 104 1/2 feet; thence East 52 1/2 feet; thence South 104 1/2 feet; thence West 104 1/2 feet; thence North 209 feet; thence East 52 1/2 feet to the place of beginning. (Deed Book 64 page 194 R/D.)

The Intercreditor Agreement affects the following described real property situate in Crook County, Oregon:

TRACT I

Beginning at a point on the North line of Section 23 in Township 14 South, Range 15 East of the Willamette Meridian, said point being 3526 feet West of the Northeast corner of said Section 23, thence South 1420 feet, more or less, to a point on the Northerly right of way line of the Lamonta Road, as located and constructed, thence Northwesterly along the Northerly right of way line of said Lamonta Road to its intersection with the North line of said Section 23, thence East along said North line of Section 23 a distance of 1394 feet, more or less, to the point of beginning.

TRACT II

Beginning at a point on the North line of Section 23 in Township 14 South, Range 15 East of the Willamette Meridian, said point being 3526 feet West of the Northeast corner of said Section 23, thence South 1320 feet, more or less, to a point on the South line of the NE-1/4 NW-1/4 of said Section 23, thence East along the South line of said NE-1/4 NW-1/4 a distance of 495 feet, thence North 1320 feet, more or less, to a point on the North line of said Section 23, thence West along the North line of said Section 23 a distance of 495 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 28th day
of Nov. A.D., 19 88 at 8:56 o'clock A M., and duly recorded in Vol. M88,
of Mortgages on Page 20035.

FEE \$53.00

Evelyn Biehn, County Clerk

By Pauline Mulendore