

K-40835
MEMORANDUM OF INTERCREDITOR AGREEMENT
 (March 1989)

Recording Requested By and
 When Recorded Mail To:

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

April THIS MEMORANDUM is made as of the 4th day of April, 1989, 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 First Interstate Bank of Oregon, N.A., a national banking association ("FIOR").

WITNESSETH: Agent and FIOR have entered into that certain Intercreditor Agreement dated as of even date herewith (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 (a) certain collateral that secures loans made by the Banks to the Borrower (the "BTCO Collateral"), and (b) certain collateral that secures loans made by FIOR to the Borrower (the "FIOR Collateral"). The real property that comprises part of the BTCO Collateral is described in the following recorded Timberland Deeds of Trust, Assignments of Rents and Fixture Filing Financing Statements (the "Timberland Deeds of Trust"):

| <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 | 59 276 | | 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 | 88 399 | | 9/16/88 |

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(Each of the above-referenced recorded Timberland Deeds of Trust has been amended and supplemented by other recorded documents.)

The real property that comprises part of the FIOR Collateral is described in exhibits to this Agreement as set forth below. Such real property is to be encumbered by Commercial Deeds of Trust and Security Agreements that are to be recorded as of even date herewith among Borrower, as grantor, Ticor Title Insurance Company of California, as trustee, and FIOR, as beneficiary.

County
Crook
Jefferson

Description
See Exhibit A at pages 1-2
See Exhibit A at pages 3-4

The Agreement, among other things, prohibits FIOR from enforcing any deficiency judgment against Borrower until certain loans made by the Banks to Borrower have been paid in full. The Agreement also states, among other things, that any lien, charge or security interest that FIOR may hereafter acquire in the BTCO Collateral shall at all times unconditionally be and remain junior, subject and subordinate to the lien, charge or security interest created in favor of Agent and the Banks, and that any lien, charge or security interest that Agent and/or the Banks may hereafter acquire in the FIOR Collateral shall at all times unconditionally be and remain junior, subject and subordinate to the lien, charge or security interest created in favor of FIOR.

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

Reference is hereby made to executed copies of the Agreement in possession of Agent and FIOR, 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

By: [Signature]
Name: Donald R. Carse, Jr.
Title: Vice President

FIRST INTERSTATE BANK OF
OREGON, N.A.,
a national banking
association

By: [Signature]
Name: JOHN DEWEY
Title: VICE PRESIDENT

CONSENT

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

CROWN PACIFIC, LTD.,
an Oregon corporation

By: [Signature]
Name: ROGER FRACE
Title: SECRETARY

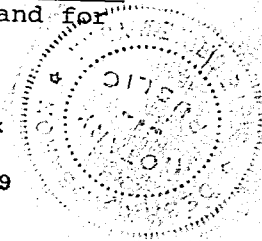
STATE OF NEW YORK)
) ss.
COUNTY OF NEW YORK)

On this 30th day of March, 1989, before me, the undersigned, a Notary Public in and for said state, personally appeared Donald R. Carse, Jr., personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as a 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.

Debra A. Baron
Notary Public in and for
said State (Seal)

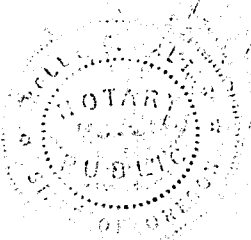
DEBRA A. BARON
Notary Public, State of New York
No. 31-4889255
Qualified in New York County
Commission Expires April 6, 1989



STATE OF OREGON)
) ss.
COUNTY OF MULTNOMAH)

On this 4 day of April, 1989, before me, the undersigned, a Notary Public in and for said state, personally appeared Debra Dreiko 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 First Interstate Bank of Oregon, N.A., the national banking association that executed the within instrument, and acknowledged to me that such national banking association executed the within instrument pursuant to its charter or a resolution of its board of directors.

WITNESS my hand and official seal.



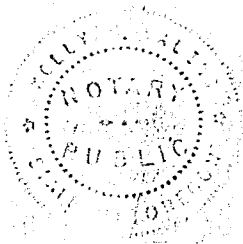
Molly C. Saling
Notary Public in and for
said State (Seal)

STATE OF OREGON
COUNTY OF MULTNOMAH

)
) SS.
)

On this 4 day of April, 1989, before me, the undersigned, a Notary Public in and for said state, personally appeared Roger 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.



Molly C Salinger
Notary Public in and for
said State (Seal)

LEGAL DESCRIPTION

5937

FOLEY BUTTETHE FOLLOWING PROPERTY LOCATED IN CROOK COUNTY, OREGON:PARCEL 1

IN TOWNSHIP 12 SOUTH, RANGE 16 EAST OF THE WILLAMETTE MERIDIAN:

- Section 1: All.
Section 2: All.
Section 3: Govt. Lots 1 & 2, S-1/2 NE-1/4, S-1/2.
Section 4: Govt. Lots 1, 2, 3 & 4, S-1/2 N-1/2, SW-1/4 SW-1/4, SE-1/4.
Section 9: S-1/2, W-1/2 NW-1/4, SE-1/4 NW-1/4.
Section 10: All, EXCEPT SE-1/4 SE-1/4.
Section 11: N-1/2, SE-1/4.
Section 12: N-1/2, SW-1/4.
Section 13: All.
Section 14: N-1/2, N-1/2 SW-1/4, SE-1/4.
Section 15: W-1/2, NE-1/4 SE-1/4.
Section 16: All.
Section 21: W-1/2 NW-1/4, S-1/2 S-1/2.
Section 22: N-1/2 NW-1/4, SW-1/4 NW-1/4, S-1/2.
Section 23: S-1/2 NE-1/4, E-1/2 NW-1/4, N-1/2 SW-1/4, SW-1/4 SW-1/4, SE-1/4.
Section 24: N-1/2 NE-1/4, N-1/2 S-1/2.
Section 25: S-1/2, S-1/2 N-1/2.
Section 26: N-1/2, E-1/2 SW-1/4, SE-1/4.
Section 27: SW-1/4 NW-1/4, SW-1/4.
Section 28: All.
Section 33: All.
Section 34: All.
Section 35: NE-1/4 NE-1/4, S-1/2 NE-1/4, NW-1/4 SW-1/4, S-1/2 SW-1/4, SE-1/4.
Section 36: W-1/2, N-1/2 NE-1/4, SW-1/4 NE-1/4, S-1/2 SE-1/4, NW-1/4 SE-1/4.

IN TOWNSHIP 12 SOUTH, RANGE 17 EAST OF THE WILLAMETTE MERIDIAN:

- Section 6: All.
Section 7: All.
Section 18: Govt. Lots 1, 2, 3 & 4, NE-1/4, E-1/2 W-1/2, W-1/2 SE-1/4.
Section 19: Govt. Lots 1, 2, 3 & 4, E-1/2 W-1/2.
Section 30: Govt. Lots 1 & 2, E-1/2 NW-1/4, NE-1/4.

IN TOWNSHIP 13 SOUTH, RANGE 15 EAST OF THE WILLAMETTE MERIDIAN:

- Section 1: Govt. Lots 1, 2, 3 & 4, SE-1/4 NE-1/4, SE-1/4 SW-1/4, SE-1/4.
Section 12: NE-1/4, N-1/2 SE-1/4, SE-1/4 SE-1/4.

EXHIBIT

Page

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IN TOWNSHIP 13 SOUTH, RANGE 16 EAST OF THE WILLAMETTE MERIDIAN:

- Section 1: Govt. Lots 3 & 4.
- Section 2: Govt. Lots 1, 2, 3, 4, 5, 6, 11, 12 & 15.
- Section 3: Govt. Lot 4, SW-1/4 NW-1/4.
- Section 4: Govt. Lots 1, 2 & 3, S-1/2 NE-1/4, SE-1/4 NW-1/4.
- Section 5: Govt. Lots 3 & 4, S-1/2 NW-1/4.
- Section 6: Govt. Lots 2, 3, 4, 5, 6 & 7, SW-1/4 NE-1/4, SE-1/4 NW-1/4, E-1/2 SW-1/4, SE-1/4.

PARCEL 2:

IN TOWNSHIP 13 SOUTH, RANGE 15 EAST OF THE WILLAMETTE MERIDIAN:

- Section 5: W-1/2 SE-1/4.
- Section 7: SE-1/4 SE-1/4.
- Section 8: W-1/2 NE-1/4, SE-1/4, E-1/2 SW-1/4, SW-1/4 SW-1/4.
- Section 9: S-1/2 SE-1/4.
- Section 16: All.
- Section 17: N-1/2.
- Section 18: NE-1/4 NE-1/4.

IN TOWNSHIP 13 SOUTH, RANGE 16 EAST OF THE WILLAMETTE MERIDIAN:

- Section 17: S-1/2.
- Section 18: SE-1/4.
- Section 20: N-1/2 N-1/2.

THE FOLLOWING PROPERTY LOCATED IN JEFFERSON COUNTY, OREGON:

PARCEL 1:

The East half of the East half of Section 34 and the West half of the West half of Section 35, Township 11 South, Range 17 East, Willamette Meridian, Jefferson County, Oregon.

PARCEL 2:

The Southwest 1/4 in Section 16, the South 1/2 of the South 1/2, the Northeast 1/4 of the Southeast 1/4 in Section 17, the North 1/2, the Northeast 1/4 of the Southwest 1/4, the Southeast 1/4 in Section 20, the West 1/2, the South 1/2 of the Southeast 1/4 in Section 21, the South 1/2 of the South 1/2 in Section 22, the Southwest 1/4 in Section 26, the East 1/2 of the West 1/2, the Southeast 1/4 in Section 27, Township 11 South, Range 17 East of the Willamette Meridian, Jefferson County, Oregon.

PARCEL 3:

TOWNSHIP 11 SOUTH, RANGE 16 EAST OF THE WILLAMETTE MERIDIAN
 Section 13: South 1/2 of the Southeast 1/4, Northeast 1/4 of the Southeast 1/4
 Section 14: Southwest 1/4, West 1/2 of the Southeast 1/4
 Section 22: West 1/2 of the Southeast 1/4, Southeast 1/4 of the Southeast 1/4
 Section 23: Northwest 1/4 of the Northeast 1/4, South 1/2 of the Northeast 1/4, Northwest 1/4, Northeast 1/4 of the Southwest 1/4, South 1/2 of the Southwest 1/4, Southeast 1/4
 Section 24: Northeast 1/4, South 1/2 of the Northwest 1/4, South 1/2
 Section 25: All
 Section 26: All
 Section 27: All
 Section 28: South 1/2 of the North 1/2, South 1/2
 Section 29: East 1/2 of the Southeast 1/4
 Section 32: Northeast 1/4, North 1/2 of the Northwest 1/4, North 1/2 of the Southeast 1/4, Southeast 1/4 of the Southeast 1/4
 Section 33: All
 Section 34: All
 Section 35: All
 Section 36: All

TOWNSHIP 11 SOUTH, RANGE 17 EAST OF THE WILLAMETTE MERIDIAN
 Section 18: South 1/2 of the South 1/2
 Section 19: North 1/2, North 1/2 of the South 1/2, South 1/2 of the Southwest 1/4
 Section 20: Northwest 1/4
 Section 27: Northwest 1/4 of the Southwest 1/4
 Section 28: West 1/2 of the West 1/2
 Section 29: All
 Section 30: Northeast 1/4 of the Northeast 1/4, South 1/2 of the North 1/2, South 1/2
 Section 31: West 1/2, Northeast 1/4 of the Southeast 1/4, South 1/2 of the Southeast 1/4
 Section 32: East 1/2, Southwest 1/4
 Section 33: All
 Section 34: All
 Section 35: West 1/2 of the East 1/2, West 1/2
 Section 36: East 1/2, East 1/2 of the West 1/2
 All

TOWNSHIP 12 SOUTH, RANGE 15 EAST OF THE WILLAMETTE MERIDIAN
 Section 36: All

TOWNSHIP 12 SOUTH, RANGE 16 EAST OF THE WILLAMETTE MERIDIAN
 Section 5: East 1/2, North 1/2 of the Northwest 1/4, Southeast 1/4 of the Northwest 1/4, Southwest 1/4
 Section 6: Southeast 1/4 of the Southwest 1/4, Northeast 1/4 of the Southeast 1/4
 Section 7: East 1/2, East 1/2 of the West 1/2, Lot 4.
 Section 8: South 1/2 of the Northeast 1/4, West 1/2, Southeast 1/4
 Section 17: All
 Section 18: All
 Section 19: North 1/2, North 1/2 of the South 1/2, Lot 4
 Section 20: All
 Section 29: All
 Section 30: South 1/2 of the Northeast 1/4, Northeast 1/4 of the Southwest 1/4, South 1/2 of the Southwest 1/4, Southeast 1/4
 Section 31: North 1/2 of the Northeast 1/4, Southwest 1/4 of the Northeast 1/4, West 1/2, West 1/2 of the Southeast 1/4
 Section 32: North 1/2, Northwest 1/4 of the Southeast 1/4

STATE OF OREGON,
 County of Klamath ss.

Filed for record at request of:

Klamath County Title Co.
 on this 7th day of April A.D. 19 89
 at 2:58 o'clock P.M. and duly recorded
 in Vol. M89 of Mortgages Page 5931
 Evelyn Biehn County Clerk
 By Deputy

EXHIBIT A
 Page 4 of 4