

Recording Requested by
And When Recorded Mail To:

O'Melveny & Myers
153 East 53rd Street
53rd Floor
New York, New York 10022-4611
Attn: Yutaka Ishizaka, Esq.

K-41974

ASSIGNMENT OF CONTRACTS AND AUTHORIZATIONS

THIS ASSIGNMENT OF CONTRACTS AND AUTHORIZATIONS ("Assignment") is made as of the 12th day of January, 1990 from CROWN PACIFIC, LTD., an Oregon corporation, whose address is 121 S.W. Morrison Street, Suite 900, Portland, Oregon 97204 ("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 Credit 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 comprising approximately 118,886 acres located in the State of Washington and approximately 165,100 acres located in the State of Oregon of timber-producing and other real property (the "Real Property") more fully described in Exhibit A attached hereto and made a part hereof;

WHEREAS, Agent has agreed to act as agent for the Banks which are willing to issue commitments (the "Commitments") to make loans (the "Loans") to Assignor, in an aggregate principal amount not to exceed One Hundred Thirteen Million Dollars (\$113,000,000) pursuant to that certain Amended and Restated Senior Secured Harvest Loan and Working Capital Facility Agreement among Assignor, each of the Banks and Agent dated as of even date herewith (the "Credit Agreement"), which Loans are evidenced by promissory notes, dated of even date herewith, issued by Assignor pursuant to the Credit Agreement, which notes have been or will be delivered to and are payable to the order of each of the Banks (the "Notes"). All capitalized terms used herein and not defined shall have the meanings ascribed to them in the Credit Agreement;

WHEREAS, Assignor as Borrower under the Credit Agreement will apply the proceeds of the Loans to repay certain existing indebtedness and toward general working capital purposes;

WHEREAS, the Banks, as a condition to making the Loans, have required the execution and delivery of this Assignment by Assignor;

WHEREAS, the repayment of the Notes, and the payment and performance of the other obligations of Assignor under the Credit Agreement and this Assignment are secured by and/or have the benefit of a Timberland Deed of Trust, Assignment of Rents and Fixture Filing Financing Statement, dated as of even date herewith, among Assignor as trustor, Stewart Title of Oregon as trustee and Agent, for its benefit and the ratable benefit of the Banks, as beneficiary, encumbering the portion of the Real Property located in Oregon and recorded concurrently with the recordation of this Assignment in the Official Records of the Counties of Crook, Deschutes, Douglas, Jefferson, Lake, Klamath and Multnomah in the State of Oregon (the "Oregon Deed of Trust") and a Timberland Deed of Trust, Assignment of Rents and Fixture Filing Financing Statement, dated as of even date herewith, among Assignor as trustor, Stewart Title Guaranty Co. as trustee and Agent, for its benefit and the ratable benefit of the Banks, as beneficiary, encumbering the portion of the Real Property located in Washington and recorded concurrently with the recordation of this Assignment in the Official Records of the Counties of Island, King, Skagit, Snohomish and Whatcom in the State of Washington (the "Washington Deed of Trust") (the Oregon Deed of Trust and the Washington Deed of Trust are collectively referred to as the "Deeds of Trust"), an Assignment of Rents and Leases, dated as of even date herewith, between Assignor as assignor and Agent, for its benefit and the ratable benefit of the Banks, as assignee, with respect to the portion of the Real Property located in Oregon, and recorded concurrently with the recordation of this Assignment in the Official Records of the Counties of Crook, Deschutes, Douglas, Jefferson, Lake, Klamath and Multnomah in the State of Oregon (the "Oregon Assignment of Rents"), and an Assignment of Rents and Leases, dated as of even date herewith, between Assignor as assignor and Agent, for its benefit and the ratable benefit of the Banks, as assignee, with respect to the portion of the Real Property located in Washington, and recorded concurrently with the recordation of this Assignment in the Official Records of the Counties of Island, King, Skagit, Snohomish and Whatcom in the State of Washington (the "Washington Assignment of Rents") (the Oregon Assignment of Rents and the Washington Assignment of Rents are collectively referred to as the "Assignment of Rents"), a Security Agreement, dated as of even date herewith, between Assignor as debtor and Agent, for its

benefit and the ratable benefit of the Banks, as secured party (the "Security Agreement"), that certain Harvest Deposit Agreement, dated as of even date herewith, by and among United States National Bank of Oregon as account agent, Assignor and Assignee, for its benefit and the ratable benefit of the Banks (the "Harvest Deposit Agreement"), that certain Operating Account Deposit Agreement, dated as of even date herewith, by and among United States National Bank of Oregon as account agent, Assignor and Assignee, for its benefit and the ratable benefit of the Banks (the "Operating Account Deposit Agreement"), that certain Reserve Deposit Agreement, dated as of even date herewith, by and among United States National Bank of Oregon as account agent, Assignor and Assignee, for its benefit and the ratable benefit of the Banks (the "Reserve Deposit Agreement") and that certain Tax Deposit Agreement, dated as of even date herewith, by and among First Interstate Bank of Oregon, N.A. as account agent, Assignor and Assignee, for its benefit and the ratable benefit of the Banks (the "Tax Deposit Agreement"), an Assignment in Trust dated as of even date herewith, by and between Assignor, as assignor and Agent, assignee, with respect to the Assignments of the U.S. Forest Service Agreement (the "Assignment in Trust") and UCC-1 Financing Statements, UCC-1A and UCC-2 Fixture Filings/Financing Statements, Effective Financing Statements and this Assignment (collectively, together with this Agreement and any other document or instrument now or hereafter executed by Assignor granting to Assignee, Agent or the Banks or both a security interest in, or Lien on, or present interest in, the Collateral, the "Security and Assignment Documents");

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

1. Assignment.

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

(i) all agreements, contracts, arrangements or other Contractual Obligations, whether now existing or hereafter entered into, whereby Assignor or its predecessors in interest have granted, grant or will grant to third Persons the right to cut, harvest or otherwise remove from the Real Property or elsewhere (to the extent Assignor has an interest in such rights) crops or trees, timber, whether severed or unsevered and

including standing and down timber, stumps and cut timber remaining on the Real Property, and logs, woodchips and other forest products, whether now located on or hereafter planted or growing in or on the Real Property or elsewhere and now or hereafter removed from the Real Property or elsewhere (collectively **"Timber"**) for sale or other disposition (collectively the **"Cutting Rights Agreements"**) and all timber sales agreements, log sales agreements, purchase orders, purchase and sale agreements and other Contractual Obligations whether now existing or hereafter entered into, whereby Assignor, as seller, is or may become obligated to cut, harvest or otherwise remove Timber harvested from the Real Property or elsewhere or otherwise to obtain Timber and to sell, exchange or deliver such Timber to third Persons (collectively the **"Timber Sales Agreements"**) and all agreements, contracts, or other Contractual Obligations, whether now existing or hereafter entered into, whereby third Persons have granted or will grant to Assignor the right to cut, harvest or otherwise remove Timber from real property not owned by Assignor at the pertinent time and all other rights of Assignor to cut, harvest or otherwise remove Timber from real property not owned by Assignor at the time in question (collectively the **"Harvesting Contracts"**) (the Cutting Rights Agreements, Timber Sales Agreements and Harvesting Contracts are collectively referred to as the **"Timber Agreements"**);

(ii) all royalty and other contractual rights (excluding leaseholds) of Assignor pertaining to 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 Real Property (the **"Minerals"**) and all surface access and mining or drilling rights in, on, under or pertaining to the Real Property, to the extent that the foregoing do not constitute real property under applicable law, 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 Real Property and all production payments, farm-out agreements, unit agreements and other similar agreements and rights pertaining thereto (collectively the **"Mineral Rights"**);

(iii) any and all present and future amendments, modifications, supplements, extensions and renewals to

any of the contracts, agreements, arrangements and Contractual Obligations described in clauses 1(a)(i) and (ii) inclusive, and all guaranties of the obligations of any third Persons thereto (collectively the "Related Rights");

(iv) All revenues, issues, profits, royalties, proceeds, income, accounts receivable and other benefits (excluding rents) derived from the Timber Agreements, the Minerals, the Mineral Rights, the Related Rights and from the personal property described in this Section 1(a) (collectively the "Revenues");

(v) any and all permits, entitlements, licenses, orders, approvals, exemptions, authorizations, certifications, franchises, building permits, subdivision approvals, timber harvesting plan reviews and approvals, site plan reviews, environmental approvals (including an environmental impact statement or report if required under applicable law for Assignor's acquisition or disposition of the Real Property or harvesting of the Timber or for any other operations of Assignor), sewer and waste discharge permits, water appropriative rights and permits, zoning and land use entitlements and other authorizations, whether now existing or hereafter issued to or obtained by or on behalf of Assignor that relate to or concern in any way the acquisition, ownership, development, occupancy, use, operation, maintenance, management, restoration or disposition of all or any part of the Real Property, the Improvements, the Timber, the Minerals, the Mineral Rights and the Development Rights, and are given or issued by any Governmental Agency or quasi-governmental authority as the same may be modified, amended or supplemented from time to time (collectively the "Authorizations");

(vi) any and all causes of action, claims, demands, compensation, awards, damages, recoveries and proceeds which Assignor may have against Scott Paper arising out of the Scott Paper Purchase Agreement (the "Claims");

(vii) all of Assignor's present and future right, title and interest in that certain Log Purchase and Sale Agreement dated April 6, 1988 executed by Debtor, as seller, and by DAW Forest Products Company, L.P., as buyer, the Prineville Log Purchase Agreements and the Wood Fiber Supply Agreement (as defined in the Security Agreement) and the agreements on Exhibit B;

(viii) all plans prepared for the harvesting or cutting of Timber from the Property ("Plans");

(ix) all trademarks and brands used by Assignor in connection with the Timber from the Real Property ("Trademarks"); and

(x) the U.S. Forest Service Agreements.

(Each of the Timber Agreements, Mineral Rights, Related Rights, Revenues, Authorizations, Claims, Plans, Trademarks and other agreements set forth above is sometimes referred to as an "Assigned Agreement" and collectively 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 Revenue 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 of an Event of Default by Assignor under the Credit Agreement, Assignor shall have the right, subject to the provisions of the Credit Agreement, to exercise all rights under or with respect to the Assigned Agreements, including the right to receive and collect all Revenues, provided that in any event all Revenues received or collected prior to, after the occurrence of and during an Event of Default shall be deposited in the Harvest Deposit Account as required by Section 2.5 of the Credit Agreement. Notwithstanding anything to the contrary contained herein, Assignor has no right or authority to and shall not take any action the effect of which may be to 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 Real Property 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 Real Property or any portion thereof, it being understood and agreed by Assignor that all responsibility for the operation, control, care, or management of the Real Property 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 including, without limitation, the exercise by Assignee of its rights under Section 3 hereof, (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 Revenues under any Assigned Agreement in advance.

(c) Assignee in Possession. No entry by Assignee upon the Real Property 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 Real Property (and Assignor immediately after demand by Agent shall surrender possession of the Real Property to Agent) and to collect in the name of Assignor or in its own name or in the name of the Banks, the Revenues accrued but unpaid and in arrears at the date of the Event of Default, as well as the Revenues 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 to perform all acts which Agent deems necessary or advisable in its sole discretion to protect Assignee's or the Banks' interests thereunder. 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 Revenues 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. Upon the occurrence and during the continuance of an Event of Default, Assignee, at Assignee's option, may terminate Assignor's license and directly perform the management, operation and maintenance of the Real Property and perform all acts Agent in its sole discretion deems necessary and proper and expend such sums out of Revenues 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 Real Property 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 Real Property, credit the net amount of the Revenues received by it by virtue of this Assignment to any amounts due and owing to Assignee by Assignor under the terms of the Loan Documents, in the order of priority set forth in the Credit Agreement. Assignee shall not be accountable for more monies than it actually receives from the Real Property; nor shall it be liable for failure to collect Revenues.

(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 Loan Documents, 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 shall have the right but not the obligation to assign the Assigned Agreements with or without consideration to any person claiming title to the Real Property or any part thereof by virtue of foreclosure proceedings under the Deeds of Trust; to sell the same with the Real Property in the event of a foreclosure of the Deeds of Trust by power of sale or otherwise as though the Assigned Agreements had been assigned in and by the Deeds of Trust; and to assign the Assigned Agreements with or without consideration to or for the benefit of anyone who purchases the Notes and to whom the Deeds of Trust are assigned; provided, that after a foreclosure of the Deeds of Trust neither Assignee nor any such assignee of Assignor's interest in the Assigned Agreements shall be liable to account to Assignor for any Revenues 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 related to, 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 the claim of any person claiming solely by, through or under Assignee, Agent or any Bank).

6. Indemnity. Assignor shall indemnify, defend and hold harmless Assignee and all present, past and future holders of the Notes 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 or assigned by the Security and Assignment 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 solely 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 Deeds of Trust.

7. Cure of Assignor's Default. If Assignor fails to make any payment or to do any act as herein provided with respect to it or as required of it under any Assigned Agreement, then Assignee, after any notice to or demand upon Assignor required by the Credit Agreement, shall have the right, but not the obligation, and without releasing Assignor from any obligation hereof, to make such payment or do such act in such manner and to such extent as Assignee may deem necessary to protect the security hereof, including, without limitation, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Assignee and to perform and discharge each and every obligation, covenant and agreement of such Assignor contained in any of the Assigned Agreements, and, in exercising any such rights or powers, to employ counsel and pay such costs and expenses as Assignee shall incur, including without limitation reasonable attorneys' fees. If: (i) an Event of Default has occurred and is continuing under the terms of any of the Loan Documents or (ii) there is an imminent danger of a termination of an Assigned Agreement by any party thereto, Assignee may take action as provided in the immediately preceding sentence without notice to or demand upon Assignor.

8. Estoppel. At any time upon request by Assignee, Assignor shall execute and deliver to Assignee a certificate reasonably satisfactory to Assignee in which Assignor covenants and represents, with respect to itself, that Assignor as of the date thereof is an assignee of, party to or owner of, as the case may be, the Assigned Agreements then in existence, with full right and title to assign the same and any Revenues due or to become due thereunder, that said Assigned Agreements are valid and in effect, that there are no existing defaults by Assignor under the provisions thereof (or, if there are any defaults, describing the actions being taken by Assignor to correct such defaults), that no Revenues payable to Assignor thereunder have been, or will thereafter be, anticipated or discounted, that to the best knowledge of Assignor, the other parties under the Assigned Agreements have no claims, defenses, set-offs or counterclaims against Assignor (or, if there are any such claims, defenses, set-offs or counterclaims, describing the same and the actions Assignor is taking to satisfy or correct same), that to the best knowledge of Assignor, there are no existing defaults by the other parties to the Assigned Agreements under the provisions thereof (or, if there are any defaults by such other parties, describing the actions Assignor knows such other parties are taking to correct such defaults), and that Assignor will not thereafter cancel, extend, release, supplement, waive, surrender or terminate any of the Assigned Agreements or change, alter or modify the same (except so as to reduce the amount of any sums payable by Assignor

thereunder) or make any subsequent assignment of the Assigned Agreements or permit any of the foregoing without the prior written authorization of Assignee, which shall not be unreasonably withheld.

9. Reimbursement of Expenditures; Interest Rate on Default. Assignor shall pay, immediately upon demand, all sums expended by Assignee, Agent or any Bank in accordance with the provisions hereof, together with interest thereon at the rate specified in the Credit Agreement for interest on the Notes after an Event of Default.

10. 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.

11. 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 this Assignment; 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 Revenues and Assignor agrees not to assign, sell, pledge, transfer, or otherwise materially encumber its interest in any of the Assigned Agreements, except as permitted in the Credit 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.

12. Notice. All notices hereunder shall be delivered in accordance with the provisions set forth in the Credit Agreement.

13. Term of Assignment. This Assignment shall remain in full force and effect as long as the Notes 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 Credit Agreement remains outstanding; provided that full reconveyance of the Deeds of Trust by Assignee upon payment in full of the Notes 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 Deeds of Trust have been fully reconveyed, this Assignment shall be void and of no further effect.

14. 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. Every provision of this Assignment is intended to be severable. In the event any term or provision hereof or any application of any term or provision is declared to be illegal, invalid or unenforceable for any reason whatsoever by a court of competent jurisdiction, such illegality, invalidity or unenforceability shall not affect or impair the legality, validity or enforceability of the balance of the terms and provisions hereof or any other application of such term or provision or of the other Loan Documents, or of such term or provision in any other jurisdiction or the application of such provision in any other jurisdiction and such terms and provisions shall remain binding and enforceable. If the lien or charge of this Assignment is invalid or unenforceable as to any part of the Obligations secured hereby, or if the lien is invalid or unenforceable as to any of the Assigned Agreements, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining and secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to

the full payment of that portion of the Obligations which is not secured or not fully secured by the lien of this Assignment.

(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. The parties hereby agree that the laws of the State of Oregon (other than its choice of law doctrine) (with respect to any state's laws, herein called its "internal law") will be applicable, to the greatest extent possible, (i) for the purposes of interpreting and determining the validity and enforceability of the rights and obligations of the parties under this Assignment, including without limitation determining Assignee's right to maintain the Obligations in full force and effect in one state after foreclosure of part of the Collateral in the other state or to obtain or enforce in any state a deficiency judgment in connection with or after foreclosure of either one or both of the Deeds of Trust and (ii) for the determination of the procedure for exercise in the State of Oregon of Assignee's rights and remedies contained in this Assignment of Contracts. The law of the State of Washington will be applicable only for the determination of the procedure for exercise in the State of Washington of Assignee's rights and remedies contained in this Assignment of Contracts, but not for any other purpose. By way of illustration but not limitation: (i) Washington's anti-deficiency statute (RCW 61.24.100) shall not be applicable in the State of Oregon for any purpose under this Assignment or any of the other Loan Documents nor shall it preclude or limit any right or remedy otherwise available to Assignee in the State of Oregon or elsewhere under this Assignment or any of the other Loan Documents; (ii) to the extent a deficiency judgment is available under the laws of the State of Oregon or Washington after a foreclosure of the Collateral, or any portion thereof, or any other realization thereon by Assignee, Assignee shall have the right to seek or enforce such a deficiency judgment against Assignor in the State of Oregon or Washington, as the case may be, as well as in other states, irrespective of the situs of such foreclosure; (iii) without limiting the generality of the foregoing, Assignor hereby waives, to the maximum extent permitted by law, any rights it may have under Revised Code of Washington Sections 61.12.120 and 61.24.100 with respect to the Collateral and the enforcement or realization by Assignee of its rights and remedies under this Assignment or any of the Loan Documents or with respect to the Collateral; and (iv) Assignor hereby agrees that no action, proceeding or judgment initiated, pursued or obtained by Assignee in the

State of Oregon with respect to the Collateral, this Assignment or any of the Loan Documents shall be considered a "foreclosure" for purposes of Section 61.24.100 or an "action" for the purposes of Section 61.12.120 of the Revised Code of Washington.

(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 Revenues and all Assigned Agreements now or hereafter created which affect the Real Property. Nevertheless, Assignor agrees to execute specific assignments of the Revenues and all Assigned Agreements hereafter made or entered into affecting any portion of the Real Property 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. 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, that 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 Real Property located in the county wherein such counterpart is recorded.

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

Address:
121 S.W. Morrison Street
Suite 900
Portland, Oregon 97204

CROWN PACIFIC, LTD.,
an Oregon corporation

By: 

Name: Roger E. Krage
Title: Secretary

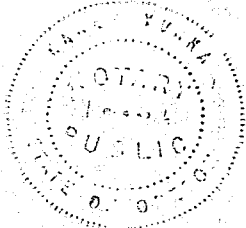
[Oregon Form]

STATE OF OREGON)
COUNTY OF MULTNOMAH)

ss.

On this 9th day of January, 1990, 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.



Karen Yurka
Notary Public in and for
said State (Seal)

My commission expires: 6-1-90

[Washington Form]

STATE OF OREGON)
COUNTY OF MULTNOMAH)

ss.

On this th day of January, 1990, before me personally appeared Roger L. Krage, to me known to be the Secretary of Crown Pacific, Ltd., the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument and that the seal affixed, if any, is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

NOTARY PUBLIC in and for the State
of Oregon, residing
at _____
My appointment expires: _____

SCHEDULE A

NAMES AND ADDRESSES OF BANKS

Bankers Trust Company,
Bankers Trust Plaza
New York, New York 10005
Attn: Donald R. Carse, Jr.
Energy Finance Group
Telecopy: (212) 850-1079

United States National Bank of Oregon,
321 Southwest Sixth Avenue
P.O. Box 4412
Portland, Oregon 97208
Attn: Sally J. Williams, A.V.P.
Commercial Services
Telecopy: (503) 275-5795

The Bank of Tokyo, Ltd.
411 S.W. 6th Avenue
Portland, Oregon 97204
Attn: Mr. Mike Kringlen
Vice President and Manager
Domestic Loan Department
Telecopy: (503) 227-5372

Union Bank of Finland Ltd.
437 Madison Avenue
New York, New York 10022
Attn: Ms. Ritva Laukkanen
Vice President
Credit and Marketing
Telecopy: (212) 421-4420

EXHIBIT A

LEGAL DESCRIPTION OF REAL PROPERTY

The legal description of the Real Property in counties other than the county to which this document is submitted for recording have been intentionally omitted.

**THE FOLLOWING PROPERTY LOCATED IN
KLAMATH COUNTY, OREGON:**

TOWNSHIP 23 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN:

- Section 2: SW-1/4 NW-1/4, NW-1/4 SW-1/4
 Section 3: Government Lots 1, 2, 3 and 4, SW-1/4 NW-1/4, SE-1/4 SW-1/4, SE-1/4
 Section 4: N-1/2, N-1/2 SW-1/4, SE-1/4 SW-1/4, NW-1/4 SE-1/4
 Section 5: N-1/2, W-1/2 SW-1/4
 Section 9: SE-1/4 NW-1/4, SW-1/4, NE-1/4 SE-1/4, S-1/2 SE-1/4
 Section 10: E-1/2, E-1/2 W-1/2, SW-1/4 SW-1/4
 Section 11: S-1/2 NW-1/4, W-1/2 SW-1/4
 Section 14: W-1/2 NW-1/4, SW-1/4 SW-1/4, E-1/2 SE-1/4
 Section 15: N-1/2, SW-1/4, W-1/2 SE-1/4
 Section 20: N-1/2, E-1/2 SE-1/4
 Section 21: N-1/2 N-1/2, SW-1/4 SW-1/4
 Section 22: W-1/2 NE-1/4, NW-1/4, N-1/2 SW-1/4, SE-1/4
 Section 23: E-1/2 E-1/2, NW-1/4 NW-1/4
 Section 24: W-1/2 SW-1/4
 Section 25: SE-1/4 SW-1/4 and that portion of W-1/2 NW-1/4 lying North and West of U.S. Hwy. 97
 Section 26: NE-1/4 NE-1/4, S-1/2 NE-1/4, W-1/2 SE-1/4, that portion of the SE-1/4 SW-1/4 lying Easterly of the irrigation ditch, that portion of the SE-1/4 SE-1/4 lying Northwesterly of U.S. Highway 97.
 Section 28: W-1/2
 Section 29: NE-1/4, SE-1/4 SW-1/4, SW-1/4 SE-1/4, E-1/2 SE-1/4
 Section 32: E-1/2 NE-1/4
 Section 33: N-1/2 NW-1/4, SW-1/4 NW-1/4, SW-1/4 SW-1/4, NW-1/4 SE-1/4
 Section 34: E-1/2 SE-1/4, SW-1/4 SE-1/4
 Section 35: E-1/2, E-1/2 W-1/2, SW-1/4 NW-1/4 lying Southeasterly of the irrigation ditch, W-1/2 SW-1/4
 Section 36: NE-1/4, E-1/2 NW-1/4, SW-1/4 NW-1/4, SW-1/4, W-1/2 SE-1/4

TOWNSHIP 23 SOUTH, RANGE 10 EAST OF THE WILLAMETTE MERIDIAN

- Section 1: Government Lots 1, 2, 3 and 4, S-1/2 NE-1/4, SW-1/4 NW-1/4, S-1/2
 Section 2: SE-1/4 SE-1/4
 Section 11: NE-1/4 NE-1/4
 Section 12: N-1/2, NE-1/4 SE-1/4
 Section 13: NE-1/4 NE-1/4
 Section 24: E-1/2 E-1/2, SW-1/4 SE-1/4
 Section 25: NW-1/4 NE-1/4, NE-1/4 NW-1/4
 Section 36: N-1/2 NE-1/4, SW-1/4 NE-1/4

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: Government Lots 1 through 9, 16 through 20, E-1/2
 Section 32: All
 Section 33: All
 Section 34: All
 Section 35: All
 Section 36: All

TOWNSHIP 24 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN

Section 2: Government Lots 2, 3 and 4, SW-1/4 NE-1/4, S-1/2 NW-1/4, SW-1/4, W-1/2 SE-1/4
 Section 3: All
 Section 8: Government Lots 1, 2, 7 and 8, E-1/2 SE-1/4
 Section 9: All
 Section 10: All
 Section 11: W-1/2 NE-1/4, W-1/2, SE-1/4
 Section 14: NE-1/4, N-1/2 NW-1/4, SW-1/4 NW-1/4, NW-1/4 SW-1/4
 Section 16: All
 Section 20: SE-1/4 NW-1/4, N-1/2 SW-1/4, SW-1/4 SW-1/4
 Section 21: All
 Section 28: N-1/2, NE-1/4 SW-1/4, NW-1/4 SE-1/4

TOWNSHIP 24 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN

Section 1: Government Lots 2 and 3, SE-1/4 NW-1/4, NE-1/4 SW-1/4, SW-1/4 NE-1/4
 Section 2: Government Lots 3 and 4, SW-1/4 NW-1/4
 Section 3: Government Lots 1 and 2, S-1/2 NE-1/4, S-1/2 NW-1/4, N-1/2 SW-1/4, SW-1/4 SW-1/4, NW-1/4 SE-1/4
 Section 4: SE-1/4 NE-1/4, E-1/2 SE-1/4
 Section 9: N-1/2, N-1/2 S-1/2
 Section 10: W-1/2 NW-1/4, NW-1/4 SW-1/4

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: N-1/2

TOWNSHIP 25 SOUTH, RANGE 7 EAST OF THE WILLAMETTE MERIDIAN
Section 25: W-1/2 SE-1/4, SE-1/4 SE-1/4

TOWNSHIP 25 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN
Section 2: NE-1/4

TOWNSHIP 25 SOUTH, RANGE 11 EAST OF THE WILLAMETTE MERIDIAN
Section 25: SE-1/4 SE-1/4
Section 36: All

TOWNSHIP 27 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN
Section 21: N-1/2 SW-1/4 lying Easterly of the Burlington Northern
Railway Right-of-way

SAVING AND EXCEPTING portions lying within rights of way for Railroads
and Highways.

EXHIBIT B
TIMBER AGREEMENTS
CROWN PACIFIC, LTD.
TIMBER CONTRACTS OUTSTANDING

<u>Contract No.</u>	<u>Sale Name</u>	<u>Award Date</u>	<u>Termination Date</u>
<u>USDA Forest Service</u>			
06371-6	Alvin Salvage	9/25/89	9/30/90
06367-4	Two Bit	9/8/89	3/31/92
06345-0	Jackalope	4/24/89	3/31/92
<u>Washington Dept. of Natural Resources</u>			
47589	Mastiff	6/1/87	11/30/90

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 11th day
of Jan. A.D., 19 90 at 2:14 o'clock P M., and duly recorded in Vol. M90
of Deeds on Page 796.

Evelyn Biehn
By Pauline Mullender County Clerk

FEE \$133.00