

33501

After Recording Return to
James H. McAlister
601 Montgomery Street, #900
San Francisco, CA 94111

Vol. 1991 Page 16580
Original Deed of Trust recorded
in Klamath County Official
Records on August 19, 1986, at
Book M-86, Page 14759.

ASSUMPTION AGREEMENT

WHEREAS, Cavenham Forest Industries Inc., a Delaware corporation ("Cavenham"), has borrowed Two Hundred Fifty Million Dollars (\$250,000,000) pursuant to the terms of a Loan Agreement dated August 14, 1986 ("Loan Agreement") from The Travelers Insurance Company, a Connecticut corporation ("Travelers"); and

WHEREAS, Cavenham has transferred certain of the collateral securing the loan made by Travelers to Hanson Natural Resources Company, a Delaware general partnership (the "Partnership"), whose general partners are Cavenham and Gold Fields Mining Corporation; and

WHEREAS, Travelers has consented to the transfer of the collateral from Cavenham to the Partnership and further acknowledges that to its knowledge, as of the date of this instrument, no default exists on the part of Cavenham pursuant to the terms of the Loan Agreement or the Loan Documents referred to and defined therein (it being understood that as used herein "knowledge" means actual knowledge, including knowledge acquired by reasonable inquiry, by Frederick A. Tuemmler); and

WHEREAS, included in the Loan Documents are certain documents utilized in the State of Louisiana (the "Louisiana Documents"); and

WHEREAS, the parties desire that the Partnership assume payment of the Two Hundred Fifty Million Dollar (\$250,000,000) Promissory Note dated August 14, 1986 made by Cavenham to Travelers and agree to be bound by the terms of the Loan Agreement as well as by the Loan Documents (including the Louisiana Documents) as that term is defined in the Loan Agreement; and

WHEREAS, a separate form of Assumption Agreement conforming to the custom, usage and requirements of that State is being executed and recorded in Louisiana; and

WHEREAS, such assumption shall in no way release Cavenham and Cavenham shall remain primarily liable under the Loan Documents;

NOW, THEREFORE, in consideration of the consent by Travelers to the transfer of collateral from Cavenham to the Partnership, the parties agree as follows:

1. The Partnership assumes and agrees to perform the obligations of Cavenham pursuant to the terms of the Loan Agreement and other Loan Documents (including, without

limitation, the Louisiana Documents). The assumption by the Partnership is not intended to and does not release Cavenham from any of its obligations under the Loan Documents (including, without limitation, the Louisiana Documents). Cavenham remains primarily, jointly, severally and solidarily liable on all obligations under the Loan Documents and waives any claim that its liability from and after execution hereof is that of a surety only.

2. The Partnership agrees to be bound by the provisions of the Loan Agreement as well as the Loan Documents referred to therein and agrees that it is jointly, severally and solidarily liable with Cavenham for the obligations of Cavenham under the Loan Documents.

3. Subject to the terms hereof, Travelers acknowledges its consent to the transfer contemplated herein by Cavenham to the Partnership as required in the Loan Agreement and other Loan Documents. The consent of Travelers to this transfer is not a consent to any other or further transfer, sale, conveyance, mortgage, encumbrance or other transaction requiring the consent of Travelers pursuant to the Loan Documents.

4. Except as specifically provided to the contrary in the Loan Documents, the laws of the State of Oregon shall apply to this Assumption Agreement and shall continue to apply to the Loan Documents.

5. Cavenham and the Partnership agree to execute all documents reasonably necessary or desirable to carry out the purpose and intent of this Assumption Agreement, including, without limitation, a Louisiana Security Agreement and appropriate financing statements, all in form and substance satisfactory to Travelers and its counsel, all of which shall form a part of, and be included in the definition of, the Loan Documents.

6. As an inducement to Travelers to consent to the assumption reflected in this Agreement, Cavenham and the Partnership:

A. Warrant and represent that the assumption reflected in this Assumption Agreement will not alter, lower or otherwise effect the priority of the liens in favor of Travelers on the transferred collateral, and that the priority and extent of the liens in favor of Travelers as set out in the original Loan Documents is hereby reaffirmed.

B. Agree to provide Travelers with an opinion of counsel in form and substance acceptable to Travelers dealing with lien priority and other matters determined by Travelers.

7. The Loan Agreement and the Loan Documents remain unchanged and in full force and effect.

8. This Assumption Agreement is being executed in counterparts in order to permit substantially simultaneous recordation in each of the Counties where parts of the collateral are located in the States of Mississippi, Oregon and Washington. All counterparts are identical except that the form of acknowledgement used on counterparts for recordation in Mississippi differs from the form of acknowledgement used on counterparts for recordation in Oregon and Washington. Each counterpart shall be deemed an original document and the introduction of any counterpart in any proceeding shall be effective for all purposes without the requirement of the introduction of other counterparts.

Dated: ~~May~~ ^{June} 4th, 1991.

THE TRAVELERS INSURANCE COMPANY

By *Gregory J. Lynch*
Its Gregory J. Lynch
ASSISTANT VICE PRESIDENT

CAVENHAM FOREST INDUSTRIES INC.

By *R.A. Carson* *he*
Its President

HANSON NATURAL RESOURCES COMPANY, a partnership whose general partners are CAVENHAM FOREST INDUSTRIES INC. and GOLD FIELDS MINING CORPORATION

By: GOLD FIELDS MINING CORPORATION

By: *William B. Freck*
Its ATTORNEY IN FACT

CAVENHAM FOREST INDUSTRIES INC.

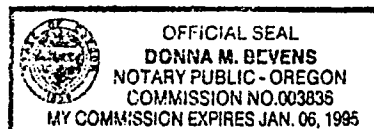
By: *R.A. Carson* *he*
Its President

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me this 28th day of May, 1991 by R. A. Carson as President of Cavenham Forest Industries Inc., a Delaware corporation.

Donna M. Bevins
Notary Public for Oregon

My Commission expires: January 6, 1995



STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me this 28th day of May, 1991 by R. A. Carson as President of Cavenham Forest Industries, Inc., a general partner of Hanson Natural Resources Company, on behalf of said corporation and general partnership.

Donna M. Bevens
Notary Public for Oregon

My Commission expires: January 6, 1995

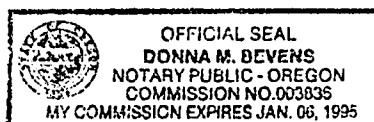


STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

This instrument was acknowledged before me this 28th day of May, 1991 by William B. Freck as the attorney-in-fact of Gold Fields Mining Corporation, a general partner of Hanson Natural Resources Company, on behalf of said corporation and general partnership.

Donna M. Bevins
Notary Public for Oregon

My Commission expires: January 6, 1995



16586

STATE OF CONNECTICUT

COUNTY OF HARTFORD

)
) SS FARMINGTON
)

On this 4th day of June, in the year 1991, before me,
Patricia H. Csaszar, a Notary Public, State of
Connecticut, duly commissioned and sworn, personally appeared
Gregory F. Lynch, personally known to me (or
proved to me on the basis of satisfactory evidence) to be the
person who executed the within instrument as Assistant Director
on behalf of The Travelers Insurance
Company, the corporation therein named and acknowledged to me
that the corporation executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
official seal in the County of Hartford, the day and year in
this certificate first above written.

Patricia H. Csaszar
Notary Public, State of Connecticut
Patricia H. Csaszar
My Commission expires: 3/31/94

e860/d14/163

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of McEwen, Gisvold, Rankin, Stewart the 20th day
of Aug. A.D., 19 91 at 11:52 o'clock A M., and duly recorded in Vol. M91
of Mortgages on Page 16580.

FEE \$38.00

Evelyn Biehn County Clerk

By Pauline M. [Signature]