

After recording, please return to:

LANE POWELL SPEARS LUBERSKY
800 Pacific Building
520 S.W. Yamhill Street
Attention: Robin B. Parisi, Esq.
Portland, Oregon 97204-1383
Telephone (503) 226-6151

FOR RECORDING IN
THE COUNTY OF
KLAMATH IN THE
STATE OF OREGON.

50004

K-12958

Vol 92 Page 19844

ASSIGNMENT AND
SECOND AMENDMENT TO
SECOND DEED OF TRUST
AND SECURITY AGREEMENT

(Crown Pacific - Parent, Oregon and Washington)

This Assignment and Second Amendment to Second Deed of Trust ("Assignment and Amendment") is made as of the 14th day of August, 1992, by Crown Pacific, Ltd., an Oregon corporation (the "Grantor"), Stewart Title Company ("Trustee"), Capital Consultants, Inc. ("CCI"), acting in its capacity as agent for certain parties it represented in connection with the issuance of a \$5,000,000 stand-by commitment ("Stand-by Commitment") to Grantor under that certain Reimbursement Agreement dated August 12, 1991 (acting in such agency capacity, CCI is referred to herein as "Assignor" or "Initial Beneficiary") and CCI, acting in its capacity as agent for certain parties it represents in making a \$3,200,000.00 loan to Grantor on the date hereof under the terms of a Promissory Note made on the date hereof (the "Note") (acting in such agency capacity, CCI is referred to herein as "Assignee" or "New Beneficiary").

RECITALS.

A. To secure in part Grantor's repayment obligation in connection with the Stand-by Commitment, Grantor made, for the benefit of the Initial Beneficiary, a Second Deed of Trust and Security Agreement (Crown Pacific-Parent, Oregon and Washington) dated August 12, 1991, covering real property located in the counties of Skagit, Island, Snohomish, Whatcom and King, State of Washington, and Crook, Lake, Klamath, Jefferson, Deschutes and Multnomah, State of Oregon (the "Original Deed of Trust"). By a First Amendment to Second Deed of Trust and Security Agreement also dated August 12, 1991, certain errors were corrected that were contained in the Original Deed of Trust (as amended the Original Deed of Trust is referred to herein as the "Deed of Trust"). Terms with initial capitals shall, unless otherwise defined in this Assignment and Amendment, have the meanings given them in the Deed of Trust.

B. To date, the Stand-by Commitment has not been funded for any amount.

C. The Initial Beneficiary desires to assign all its rights under the Deed of Trust to the New Beneficiary.

D. The New Beneficiary and the Grantor desire to amend the Deed of Trust to, among other things, substitute the indebtedness secured under the Deed of Trust with Grantor's indebtedness under the Note.

Now therefore in consideration of the premises and for other good and valuable consideration, the parties agree:

AGREEMENT:

1. Assignment of Deed of Trust. Assignor hereby assigns and transfers to Assignee, its successors and assigns, all of Assignor's rights, powers, title, estate, privileges and interest in and to the Deed of Trust. Assignor and Grantor each covenant for the benefit of Assignee that each of them will take such further actions and execute such additional documents and instruments to allow Assignee to receive the full benefit of the assignment provided by this Section 1 and of the intent of this Assignment and Amendment including, without limitation, executing such county and state financing statements to reflect such assignment.

2. Amendment of Deed of Trust.

2.1 Section 1.1 of the Deed of Trust is hereby deleted in its entirety and the following is substituted therefore:

"1. The Note.

"1.1 Grantor shall pay to Beneficiary promptly when due all indebtedness evidenced by and arising under that certain promissory note (the "Note") given by Grantor to Beneficiary, dated August 14, 1992, in the principal amount of THREE MILLION AND TWO HUNDRED THOUSAND AND 00/100 DOLLARS (\$3,200,000.00) and a maturity date of November 15, 1992, and all other amounts, payment of which is secured by this Trust Deed including, without limitation, amounts payable by Grantor pursuant to the terms hereof.

This Deed of Trust also secures the interest that accrues on the Note, late payment charges, interest payable following default and at the time of a judicial or nonjudicial foreclosure sale. Any modifications, extensions, or renewals of the Note including, without limitation, (i) modifications of the required principal and/or interest payment dates, deferring or accelerating said payment dates in whole or in part, and/or (ii) modifications, extensions, or renewals at a different rate of interest, shall be secured by this Deed of Trust whether or not any such modification, extension, or renewal is evidenced by a new or additional promissory note or notes."

2.2 Section 1.2 of the Deed of Trust is hereby deleted in its entirety from the Deed of Trust.

2.3 Section 8.2 of the Deed of Trust is hereby deleted in its entirety and the following is substituted therefore:

"8.2 Partial Release - Individual Tract Sales. Grantor shall have the right to transfer one or more of the individual tracts comprising the Property, and/or the Timber or cutting rights to Timber located on the Property, in each case free of the lien of this Deed of Trust if (a) for any Transfer made while the obligations evidenced by the First Priority Loan Documents remain secured by the Property, Grantor complies with the provisions thereof in making such transfer or (b) for any transfer made thereafter, as of the time of such Transfer, no Event of Default has occurred and is continuing hereunder and if, as applicable, the conditions to Beneficiary's obligation to release such tract stated at either Section 8.2.1 or 8.2.2, or the conditions to a permitted sale of Timber or cutting rights stated at Section 8.2.3, have been satisfied. Upon transfer of any such tract and provided that the requirements to Beneficiary's obligation to release such tract as set forth above have been met, Beneficiary shall execute and deliver to Trustee a suitable Partial Reconveyance of this Trust Deed and suitable statements of partial release of any financing statements on file.

8.2.1 Cash Sales. If the entire purchase price payable to Grantor in respect of a tract is payable in cash, in kind, or both at Closing (defined at Section 8.3) of the sale of such tract:

(a) Grantor shall have provided Beneficiary not less than 30 days advance written notice of such sale, which notice shall specify the anticipated amount or value of consideration payable to Beneficiary in respect of such tract, the anticipated Closing date of such sale, and the anticipated manner in which the consideration is to be paid.

(b) The sale of any such tract shall be at not less than the appraised value of the tract set forth in the appraisal submitted to

the New Beneficiary in connection with making the loan under the Note ("Appraised Value").

(c) If, at the time of such sale, there is any amount outstanding under the Note, Grantor shall have paid to Beneficiary, contemporaneously with such Closing, an amount equal to (i) the amount or value of consideration paid to Grantor with respect to such tract (including cash and the fair market value of property exchanged), less (ii) the reasonable and ordinary costs of sale (which shall include reasonable attorneys fees) incurred by Grantor in connection with such sale. The amounts paid to Beneficiary under this subsection 8.2.1(c) shall first be applied to satisfy Grantor's obligations under the First Priority Loan Documents and next to the indebtedness secured by this Deed of Trust.

(d) Grantor shall have paid to Beneficiary all costs and expenses including, without limitation, Beneficiary's reasonable attorneys fees, to prepare and record or file any such partial reconveyance and/or release.

8.2.2 Installment Sales. If the entire purchase price payable to Grantor in respect of a tract is not payable in cash, in kind, or both at Closing of such sale:

(a) Each of the conditions stated at Section 8.2.1 (a) and (b) shall have been satisfied.

(b) If, at the time of such sale, there is any amount outstanding under the Note, then

(i) The portion of the purchase price payable to Grantor in respect of such tract following closing bears interest at a rate less than the interest rate applicable under the Note from time to time, then Grantor shall have agreed to pay to Beneficiary, on and as of the date of each installment payment paid to Beneficiary pursuant to the assignment described in Section 8.2.2(b)(iii), an additional amount equal to the difference between the payment due and the amount that would have been due had such portion

of the purchase price borne interest at a rate equal to the interest rate applicable under the Note during such period.

(ii) Grantor shall have paid to Beneficiary, contemporaneously with such Closing, an amount equal to (A) the amount or value of consideration paid to Grantor at Closing with respect to such tract (including cash and the fair market value of property exchanged), less (B) the reasonable and ordinary costs of sale (which shall include reasonable attorneys fees) incurred by Grantor in connection with such sale. The amounts paid to Beneficiary under this subsection 8.2.2(b)(ii) shall be first applied to satisfy Grantor's obligation under the First Priority Loan Documents and next to the indebtedness secured by this Deed of Trust.

(iii) Grantor shall have assigned to Beneficiary, by such agreements and instruments as shall be in form and substance acceptable to Beneficiary, all of Grantor's right, title and interest in (A) additional amounts payable to Grantor in respect of the purchase price of such tract (together with any interest accruing thereon), which amounts shall be payable by the obligor thereof directly to Beneficiary, together with (B) any mortgage, deed of trust, security interest, lien, guarantee or other agreement, document or instrument given to Grantor to secure payment of such obligation. The cash amounts and other property or rights paid or transferred to Beneficiary under this subsection 8.2.2(b)(iii) shall be first applied to satisfy Grantor's obligations under the First Priority Loan Documents and next to the indebtedness secured by this Deed of Trust.

8.2.3 Timber Sales and Cutting Rights. If, at the time of any sale of Timber or cutting

rights, any amount is outstanding under the Note, Grantor shall pay to Beneficiary, on or before the first day of each month and as a prepayment under the Note, an amount equal to (A) the amount paid Grantor during the preceding month in respect of Timber or cutting rights to Timber sold, less (B) the reasonable and ordinary costs to Grantor, if any, of harvesting such Timber (as evidenced by a cost summary, in form and substance reasonably satisfactory to Beneficiary, submitted by Grantor to Beneficiary with each such payment). The amounts paid to Beneficiary under this subsection 8.2.3 shall be first applied to satisfy Grantor's obligation under the First Priority Loan Documents and next to the indebtedness secured by this Deed of Trust."

3. Affirmation and Remake of Representations, Warranties and Covenants. Grantor hereby affirms for the benefit of Assignee all of Grantor's representations, warranties and covenants set forth in the Deed of Trust. Further, Grantor hereby represents and warrants to the New Beneficiary that such representations and warranties contained in the Deed of Trust including, without limitation, the representation and warranty that the only liens and encumbrances against the Property are those listed on Exhibit A to the Original Trust Deed, remain truthful and accurate as of the date of this Assignment and Amendment and will be truthful and accurate upon the recording of this Assignment and Amendment in all Counties where it is to be recorded.

4. Schedule of Property Currently Covered by Deed of Trust. Schedule A hereto sets forth the real property in Oregon and Washington covered by the Deed of Trust as of the date of this Assignment and Amendment. A complete copy of Schedule A will be filed with the Assignment and Amendment filed in Multnomah County, Oregon. For each of the other Counties in the States of Oregon and Washington where property is covered by the Deed of Trust, Schedule A will only contain a description of the property covered by the Deed of Trust in such County.

5. Assignment and Modification of Assignment of Leases and Rents. In connection with the making of the Deed of Trust, Grantor also executed an Assignment of Leases and Rents dated August 12, 1991. It is the intent of the parties hereto that the New Beneficiary also succeed in interest to such Assignment of Leases and Rents. Therefore, the Initial Beneficiary hereby assigns and transfers to the New Beneficiary, its successors and assigns, all of the Initial Beneficiary's rights, powers, title, estate, privileges and interest in and to such Assignment of Leases and Rents. To make such Assignment of Leases and Rents consistent with the Deed of Trust as modified by this Assignment and Amendment, Grantor and the New Beneficiary agree that such

Assignment is hereby amended to reflect the substitution of secured indebtedness effected by this Assignment and Amendment and to reflect the other amendments set forth herein to make such Assignment of Leases and Rent consistent with the Deed of Trust as hereby modified. Assignor and Grantor each covenant for the benefit of Assignee that each of them will take such further actions and execute such additional documents and instruments to allow Assignee to receive the full benefit of the assignment provided by this Section 5 and of the intent of this Assignment and Amendment including, without limitation, executing such county and state financing statements to reflect such assignment.

6. Ratification. Except to the extent expressly modified hereby, the Deed of Trust and the Assignment of Leases and Rents are ratified and confirmed in all respects.

IN WITNESS WHEREOF, this Assignment and Amendment has been duly executed by Grantor as of the day and year first hereinabove written.

GRANTOR:

CROWN PACIFIC, LTD.

By

Title

ASSIGNOR OR INITIAL
BENEFICIARY:

CAPITAL CONSULTANTS, INC., Agent

By

Title

ASSIGNEE OR NEW
BENEFICIARY:

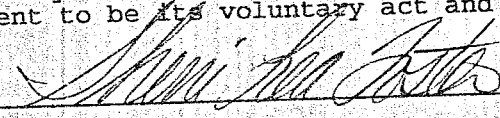
CAPITAL CONSULTANTS, INC., Agent

By

Title

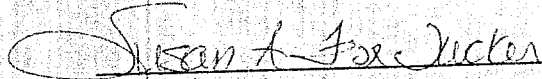
STATE OF OREGON)
) ss.
 County of Multnomah)

On this 14th day of August, 1992, before me personally appeared Roger Craig Krage who, being duly sworn, did say that he is the Secretary of CROWN PACIFIC, LTD., and that said instrument was signed on behalf of said corporation by authority of its board of directors; and he acknowledged said instrument to be its voluntary act and deed.


 NOTARY PUBLIC FOR OREGON
 My commission expires: 10/30/92

STATE OF OREGON)
) ss.
 County of Multnomah)

On this 14 day of August, 1992, before me personal appeared Karen Borgquist who, being duly sworn, did say that he/she is the Vice President of CAPITAL CONSULTANTS, INC., Agent, and that said instrument was signed on behalf of said corporation by authority of its board of directors; and he/she acknowledged said instrument to be its voluntary act and deed.


 NOTARY PUBLIC FOR Oregon
 My commission expires: 10/20/93

After recording, please return to:

Lane Powell Spears Lubersky
800 Pacific Building
520 S.W. Yamhill Street
Attention: Robin B. Parisi, Esq.
Portland, Oregon 97204-1383
Telephone (503) 226-61511

19852

SCHEDULE A

Description of Property

(SEE ATTACHMENT)

Little Deschutes

The following described lands in Klamath County, Oregon:

In Township 23 South, Range 9 East of the Willamette Meridian:

Section 14: The East half of the Southeast quarter.

Section 23: The East half of the East half.

Section 24: The West half of the Southwest quarter.

Section 25: That portion of the West half of the Northwest quarter lying North and West of U.S. Highway 97.

Section 26: The Northeast quarter of the Northeast quarter; the South half of the Northeast quarter; the West half of the Southeast quarter; that portion of the Southeast quarter of the Southwest quarter lying Easterly of the Irrigation ditch; that portion of the Southeast quarter of the Southeast quarter lying Northwesterly of U.S. Highway 97.

Section 35: Those portions of the East half, the East half of the West half and the Southwest quarter of the Northwest quarter lying Southeasterly of the Irrigation Ditch and Northwesterly of Highway 97.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co. the 1st day
of Sept. A.D. 19 52 at 9:44 o'clock A M., and duly recorded in Vol. M92
of Mortgages on Page 19844.

FEE \$65.00

Evelyn Biehn County Clerk
By Pauline Mulendore