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TRIPPLICATE ORIGINAL

**RECORDING REQUESTED BY, AND
WHEN RECORDED RETURN TO:**

The Bank of California, a division of
Union Bank of California, N.A.
Commercial Service Center
P. O. Box 45000
San Francisco, CA 94104

ATC #961578

**MEMORANDUM OF MODIFICATION OF CREDIT AGREEMENT
AND AMENDMENT OF DEED OF TRUST**

between

LANE PLYWOOD, INC., an Oregon corporation

as Borrower,

and

**THE BANK OF CALIFORNIA, a division of
UNION BANK OF CALIFORNIA, N.A.,**

as Bank

1. The Deed of Trust (as defined below) is a "Line of Credit Instrument" under ORS 86.155. The maximum principal amount to be advanced pursuant to the Amended and Restated Credit Agreement between Borrower and Bank dated as of August 29, 1996 ("Credit Agreement") is \$14,920,000. In addition, the Deed of Trust secures all other Liabilities (as defined in the Deed of Trust) created under or arising in connection with the Deed of Trust.

2. The Credit Agreement provides for various credit facilities, only one of which is a line of credit. Each of the credit facilities has a separate maturity date. The latest maturity date (exclusive of any option to renew or extend) is September 1, 2001.

**MEMORANDUM OF MODIFICATION OF CREDIT AGREEMENT
AND AMENDMENT OF DEED OF TRUST**

LANE PLYWOOD, INC., an Oregon corporation ("Borrower") declares that it has entered into an Amended and Restated Credit Agreement with THE BANK OF CALIFORNIA, a division of UNION BANK OF CALIFORNIA, N.A. (Bank"), dated as of August 29, 1996, wherein provisions are made for (a) amendments of the deed of trust ("Deed of Trust") between Borrower and Bank recorded May 1, 1996 as document No. 96-28497, Reel 2168R, records of Lane County, Oregon; May 1, 1996 as document No. 96-09432, Book 1407, Page 256, records of Douglas County, Oregon; and May 1, 1996 in Book M-96, Page 12375, records of Klamath County, Oregon, (b) amendment of certain obligations secured by the Deed of Trust, and (c) the addition of an obligation which is secured by the Deed of Trust. The additional obligation is a Transaction Loan Note dated of even date herewith executed by Borrower to the order of Bank in the amount of \$4,000,000. This instrument is a memorandum of that Amended and Restated Credit Agreement and the same is incorporated herein by this reference with the same effect as though set forth herein in its entirety.

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES, AND COMMITMENTS MADE BY BANK AFTER OCTOBER 3, 1989 CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY BANK TO BE ENFORCEABLE.

Dated: as of August 29, 1996.

**THE BANK OF CALIFORNIA, a division
of UNION BANK OF CALIFORNIA, N.A.**

By Rodger Terrall
Rodger Terrall, Vice President

**LANE PLYWOOD, INC.,
an Oregon corporation**

By [Signature]
Title: [Signature]

27821

STATE OF OREGON)
) ss.
 County of Lane)

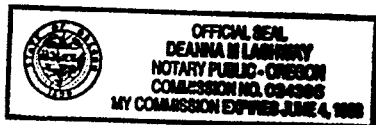
This instrument was acknowledged before me on this 2nd day of September, 1996, by Rodger Terrall, as Vice President of The Bank of California, a division of Union Bank of California, N.A.



Deanna M. Ashway
 Notary Public for Oregon
 My commission expires: 6/04/98

STATE OF OREGON)
) ss.
 County of Lane)

This instrument was acknowledged before me on this 2nd day of September, 1996, by Greg Demers, who is the President of Lane Plywood, Inc.



Deanna M. Ashway
 Notary Public for Oregon
 My commission expires: 6/04/98

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 5th day of September A.D., 19 96 at 3:52 o'clock P.M., and duly recorded in Vol. M96 of Mortgages on Page 27819.

FEE \$20.00

Bernetha G Letsch, County Clerk

By Shirley Russell