

COLLATERAL ASSIGNMENT OF LOAN DOCUMENTS

RECORDING REQUESTED BY AND
WHEN RECORDED, RETURN TO:

Carl M. Brophy
Brophy, Mills, Schmor
Gerking & Brophy, LLP
P.O. Box 128
Medford, OR 97501

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Collateral Assignment of Loan Documents

This Collateral Assignment of Loan Documents (this "Assignment") is made as of the 23rd day of July, 1999, by and between U.S. FOREST INDUSTRIES, INC., a Delaware corporation ("Assignor"), having an office at 216 West Main Street, Medford, Oregon, and GMAC COMMERCIAL CREDIT, LLC, a New York LLC ("Assignee"), having an office at 1290 Avenue of the Americas, New York, New York 10104.

WITNESSETH:

WHEREAS, Assignor has made a loan ("Loan") to the Grantors identified on Attachment I hereto ("Seller"), which Loan is evidenced by a Loan and Log Purchase Agreement ("Agreement") between Assignor and Seller and secured by, among other things, the Trust Deed and/or Financing Statement identified on Attachment I hereto and encumbering the premises described in the corresponding description attached hereto and/or the timber thereon ("Trust Deed" and/or "Financing Statement") from the Seller to Assignor encumbering the premises and/or the timber described therein, and with respect to the Trust Deed, the improvements located thereon and certain other property as described in the Trust Deed (collectively, the "Trust Property") and intended to be recorded in the public land records of the county in which the Trust Property is located (the "Land Records") (the Agreement, the Trust Deed and/or Financing Statement and all other documents evidencing and/or securing the Loan are hereinafter collectively referred to as the "Loan Documents"); and

WHEREAS, Assignor has executed and delivered to Assignee that certain Credit Agreement, dated as of December 22, 1997 (as such Credit Agreement may be renewed, modified, consolidated, replaced and/or restated from time to time, the "Credit Agreement"), evidencing advances made and to be made by Assignee to Assignor on a revolving credit basis under the Credit Agreement in an aggregate principal amount not to exceed Forty-Two Million and No/100 Dollars (\$42,000,000); and

WHEREAS, as a condition to Assignee's extension of certain financial accommodations to Assignor including, without limitation, the extension of credit pursuant to the Credit Agreement, Assignor must collaterally assign to Assignee its interest in the Loan, the Loan Documents, and any other interest that Assignor may have in the Trust Properties, including, without limitation, the proceeds and products thereof (collectively, the "Loan Collateral"); and

WHEREAS, Assignor and Assignee desire to record this Assignment in the real property records of the county and state wherein the Trust Property is located for the purpose, inter alia, of placing third parties on notice of the collateral assignment of the Loan, the Loan Documents and the Loan Collateral.

NOW, THEREFORE, for and in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and the mutual agreements and covenants hereinafter set forth, Assignor and Assignee hereby agree as follows:

1. The recitals set forth above are incorporated herein by this reference.
2. All capitalized terms used herein but not defined shall have the meaning set forth in the Credit Agreement.
3. As a condition to Assignee's extension of certain financial accommodations to Assignor, Assignor hereby collaterally grants, assigns and transfers to Assignee all of Assignor's right, title and interest in and to the Loan, the Loan Documents and the Loan Collateral. This Assignment is a collateral assignment and shall not be deemed to be a direct or absolute assignment.
4. All the terms and provisions of the Credit Agreement are incorporated herein by this reference thereto as if fully set forth herein. Among other things, notices to and from Assignee and Assignor will be given as provided in the Credit Agreement.
5. This Assignment shall be governed by the laws of the state of Oregon, without regard to the conflict of laws principles thereof.

(Signatures Commence on Following Page)

34605

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

U.S. FOREST INDUSTRIES, INC.

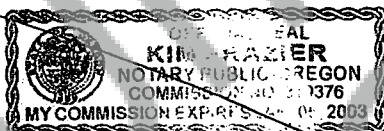
By: *Mark V. Noffke*
Mark V. Noffke, Vice President - Finance

ATTEST:

By: *Jerry L. Bramwell*
Jerry L. Bramwell, President/CEO

STATE OF OREGON)
) ss.
County of Jackson)

The foregoing instrument was acknowledged before me this 23rd day of July, 1999 by Mark V. Noffke, Vice President - Finance of U.S. Forest Industries, Inc., a Delaware corporation, on behalf of said corporation.



Kim Frazier
NOTARY PUBLIC FOR OREGON
My commission expires 01-05-03

CMB:kl(USFNLjpa\Robertson.F&D\Collasign.kla)



KLAMATH COUNTY, OREGON: Loan and Log Purchase Agreement

# and Name	Grantor	Beneficiary	Trust Deed Date of Recording	Trust Deed Document No./ Book/Page	Financing Stmt UCC#	Financing Stmt Date of Filing (if diff)
# 887 Robertson, Fred & Debra/Hite	Fred & Debra Robertson	U.S. Forest Industries, Inc.	6/30/99	Vol M99 Page 26197	Vol M99 Page 26200	same

ATTACHMENT II

(# 887) (Klamath County) Fred and Debra Robertson

Property Description

The NE ¼ of Section 30, Township 38 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, SAVING AND EXCEPTING THE FOLLOWING:

Commencing at a brass cap monumenting the Section corner common to Sections 19, 20, 29 and 30, Township 38 South, Range 6 East, Willamette Meridian, Klamath County, Oregon, thence South 0°43'36" East, along the East line of Section 30, 664.85 feet to a 1" pipe monumenting the True Point of Beginning; thence continue South 0°43'36" East, along said East line, 664.85 feet to a 1" pipe; thence South 89°20'12" West, 1319.46 feet to a 1" pipe; thence North 0°37'06" West, 662.63 feet to a 1" pipe; thence North 89°14'26" East 497.33 feet to a 5/8" square pin; thence continue North 89°14'26" East 820.89 feet to a 1" pipe on the East line of said Section 30 and the True Point of Beginning.

Beginning at a brass cap monumenting the Section corner common to Sections 19, 20, 29, and 30, Township 38 South, Range 6 East, Willamette Meridian, Klamath County, Oregon; thence South 0°43'36" East along the East line of Section 30, 664.85 feet to a 1" pipe; thence South 89°14' 26" West, 820.89 feet to a 5/8" square pin; thence continue South 89°14' 26" West 563.07 feet to a 1" pipe; thence North 0°37'06" West, 662.52 feet to a 1" pipe on the North line of said Section 30; thence North 89°08'39" East, along said North line, 1382.70 feet to the point of beginning.

State of Oregon, County of Klamath
Recorded 8/27/99, at 9:14 a.m.
In Vol. M99 Page 34603
Linda Smith,
County Clerk Fee \$ 35⁰⁰