

2008-009353

Klamath County, Oregon



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06/25/2008 03:42:53 PM

Fee: \$136.00

MTC 82164  
WHEN RECORDED, RETURN TO:

Perkins Coie, LLP  
1120 N.W. Couch Street, Tenth Floor  
Portland, Oregon 97209  
Attention: Audrey A. Baker

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(Space above this line for Recorder's use)

DOCUMENT: **LINE OF CREDIT INSTRUMENT**

**DEED OF TRUST, ASSIGNMENT OF LEASES AND  
RENTS, SECURITY AGREEMENT AND FIXTURE FILING  
(KLAMATH COUNTY, OREGON)**

GRANTOR: **COLUMBIA PLYWOOD CORPORATION**, a North Carolina  
corporation

BENEFICIARY: **WELLS FARGO BANK, NATIONAL ASSOCIATION**, in its  
capacity as Agent for the Secured Parties from time to time party to  
that certain Security Agreement (as defined in Recital A below)

TRUSTEE: **CHICAGO TITLE INSURANCE COMPANY OF OREGON**

The maturity date of the Obligations (as defined in the Security Agreement) secured by this Deed of Trust, exclusive of any option to renew or extend such maturity date, is March 17, 2010.

The maximum principal amount to be advanced pursuant to the Security Agreement and the Loan Documents (as defined in the Security Agreement) secured by this Deed of Trust is NINETY ONE MILLION AND NO/100 DOLLARS (\$91,000,000).

THIS DOCUMENT CONSTITUTES A FIXTURE FILING IN ACCORDANCE WITH ORS 79.0502. THE COLLATERAL IS OR INCLUDES FIXTURES.

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FIXTURE FILING**

This Deed of Trust, Assignment of Leases and Rents, Security Agreement and Fixture Filing (hereinafter called "Deed of Trust") is made as of the 13th day of June, 2008, by and among **COLUMBIA PLYWOOD CORPORATION**, a North Carolina corporation (the "Grantor"), **CHICAGO TITLE INSURANCE COMPANY OF OREGON** ("Trustee"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, in its capacity as Agent for the Secured Parties from time to time party to that certain Security Agreement (as defined in Recital A below) (the "Beneficiary"). The addresses for the Grantor, Trustee and Beneficiary are set forth at the end of this Deed of Trust.

**RECITALS:**

- A. Grantor is a party to that certain Security Agreement dated as of April 27, 2007 (the "Security Agreement") among Grantor, certain of Grantor's affiliates, the lenders and noteholder parties thereto (collectively, the "Secured Parties") and Wells Fargo Bank, National Association as collateral agent for the Secured Parties.
- B. Grantor is obligated to the Secured Parties in connection with certain loans and other extensions of credit defined in the Security Agreement as the "Obligations."
- C. Grantor desires certain modifications be made to the Obligations and the Secured Parties are willing to make such modifications, provided Grantor executes this Deed of Trust.

**WITNESSETH:**

**SECTION 1. Granting Clause**

SECTION 1.1. Grantor hereby irrevocably grants, transfers, and assigns to Trustee, in trust, WITH THE POWER OF SALE, for the benefit of Beneficiary, all of Grantor's present and future estate, right, title and interest in and to that real property and all buildings and other improvements now thereon or hereafter constructed thereon (collectively, the "Premises"), in the County of Klamath, State of Oregon, described on Exhibit "A" attached hereto and by this reference made a part hereof, together with all of Grantor's present and future estate, right, title and interest in the following which, with the Premises (except where the context otherwise requires), are hereinafter collectively called the "Trust Property":

- (a) All appurtenances in and to the Premises;
- (b) All right, title and interest of Grantor now owned or hereafter acquired in and to all streets, roads, alleys and public places, and all easements and rights of way, public or private, now or hereafter used in connection with the Premises;

(c) All machinery, equipment, fixtures and materials owned by Grantor now or at any time attached to the Premises together with all other personal property owned by Grantor now or at any time hereafter located on or appurtenant to the Premises that is used in connection with the management and operation thereof;

(d) To the extent the same can be assigned, any licenses, contracts, permits and agreements required or used in connection with the ownership, operation or maintenance of the Premises;

(e) Any and all insurance proceeds, and any and all awards, including interest, previously and hereafter made to Grantor for taking by eminent domain of the whole or any part of the Premises or any easements therein; and

(f) All existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any portion of the Premises and all income, receipts, rents, revenues, issues and profits arising from the use or enjoyment of all or any portion of the Premises.

GRANTOR FURTHER REPRESENTS, WARRANTS, COVENANTS AND AGREES AS FOLLOWS:

## **SECTION 2. Secured Obligations**

SECTION 2.1. Grantor makes this Deed of Trust for the purpose of securing: (a) the performance of Grantor's obligations contained herein; (b) the payment and performance of the "Obligations" of the Borrower and Grantor as defined in the Security Agreement, including any amounts which may be advanced and repaid from time to time and made available for reborrowing, with interest thereon; and (c) payment and performance of any future advances and other obligations that the then record owner of all or part of the Trust Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when such future advance or obligation is evidenced by a writing which recites that it is secured by the Deed of Trust (collectively, the "Secured Obligations").

SECTION 2.2. The terms of Security Agreement and any other Loan Document (as defined in the Security Agreement) are by this reference incorporated herein. To the extent any terms herein conflict with the terms in the Security Agreement and/or any other applicable Loan Documents, the terms of the Security Agreement or any other applicable Loan Documents shall control.

## **SECTION 3. Leases; Assignment of Rent and Leases**

SECTION 3.1. Grantor hereby absolutely transfers and assigns to Beneficiary as security for the payment the Obligation and performance of the Contractual Obligations owed to Beneficiary and the Secured Parties, all right, title and interest of Grantor in and to (i) all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or any part of the Trust Property (hereinafter called the "Leases"), and (ii) all income, receipts, revenues, rents, issues and profits now or hereafter arising from or out of the Leases or from or out of the Trust

Property or any part thereof, together with the immediate and continuing right to receive all of the foregoing (hereinafter called the "Rents").

**SECTION 3.2.** Grantor hereby authorizes and directs the lessees and tenants under the Leases that, upon receipt of a written notice from Beneficiary stating that an Event of Default (as defined below) has occurred hereunder, all Rents shall be paid directly to Beneficiary as they become due. Grantor hereby relieves the lessees and tenants from any liability to Grantor by reason of the payment of the Rents to Beneficiary in accordance herewith. Nevertheless, Grantor shall be entitled to collect the Rents, but for no more than thirty (30) days in advance, until Beneficiary notifies the lessees and tenants in writing to pay the Rents to Beneficiary. Beneficiary is hereby authorized to give such notification upon the occurrence of an Event of Default and at any time thereafter while such Event of Default is continuing. Receipt and application of the Rents by Beneficiary shall not constitute a waiver of any right of Beneficiary under this Deed of Trust or applicable law.

#### **SECTION 4. Security Agreement**

**SECTION 4.1.** This Deed of Trust shall cover, and the Trust Property shall include, all property now or hereafter affixed or attached to or incorporated upon the Premises, which, to the fullest extent permitted by law, shall be deemed fixtures and a part of the Premises. To the extent any of the Trust Property consists of rights in action or personal property covered by the Uniform Commercial Code as enacted in the State of Oregon (the "Uniform Commercial Code"), this Deed of Trust shall also constitute a security agreement, and Grantor hereby grants to Beneficiary, as the secured party, a security interest in such property, including all proceeds thereof, for the purpose of securing the Secured Obligations. In addition, for the purpose of securing the Secured Obligations, Grantor hereby grants to Beneficiary, as the secured party, a security interest in all of the property described below in, to, or under which Grantor now has or hereafter acquires any right, title or interest, whether present, future, or contingent: all equipment and inventory, as those terms are defined in the Uniform Commercial Code, and all other personal property of any kind, whether now existing or hereafter created, that are now or at any time hereafter (i) erected upon, attached to, or appurtenant to, the Premises; (ii) located or used on the Premises; or (iii) used in connection with the Premises or any of the personal property described herein, together with all products and proceeds thereof, in any form, including all proceeds received, due or to become due from any sale, exchange or other disposition thereof, whether such proceeds are cash or non-cash in nature, and whether represented by checks, drafts, notes or other instruments for the payment of money. The personal property described or referred to in this Section 4.1 is hereinafter called the "Personal Property." The security interests granted in this Section 4.1 are hereinafter severally and collectively called the "Security Interest."

**SECTION 4.2.** The Security Interest shall be self-operative with respect to the Personal Property, but Grantor shall execute and deliver on demand such additional security agreements, financing statements and other instruments as may be reasonably requested by Beneficiary in order to impose the Security Interest more specifically upon the Personal Property. The Security Interest, at all times, shall be prior to any other interests in the Personal Property except any lien, security interest or encumbrance granted or existing in connection with any Permitted Lien. Grantor shall act and perform as necessary and shall execute and deliver to Beneficiary for filing by

Beneficiary all security agreements, financing statements, continuation statements and other documents reasonably requested by Beneficiary to establish, maintain and continue the perfection of the Security Interest. Beneficiary is authorized to file, without Grantor's signature, any financing statements, financing statement amendments and continuation statements deemed necessary or advisable by Beneficiary in order to perfect, amend or continue the perfection of the Security Interest granted hereunder. At Beneficiary's request, Grantor shall pay all costs and expenses of filing and recording, including the costs of any searches, deemed necessary by Beneficiary from time to time to establish and determine the validity and the continuing priority of the Security Interest.

SECTION 4.3. Upon its recording in the real property records, this Deed of Trust shall be effective as a financing statement filed as a fixture filing. To the extent permitted by the Uniform Commercial Code, a carbon, photographic or other reproduced copy of this Deed of Trust and/or any financing statement authorized to be filed hereunder shall be sufficient for filing and/or recording as a financing statement. The filing of any other financing statement relating to any personal property, rights or interests described herein shall not be construed to diminish any right or priority hereunder.

#### **SECTION 5. Protection and Preservation of the Trust Property**

SECTION 5.1. Grantor shall neither commit nor permit to occur any waste upon the Trust Property but shall at all times make or cause to be made all repairs, maintenance, renewals and replacements as may be necessary to maintain the Trust Property in good condition and repair, subject to Section 5.2 below.

SECTION 5.2. Grantor shall repair and restore any portions of the Trust Property that may be damaged or destroyed, to the extent of any insurance proceeds available for such repairs and restoration. Grantor shall pay when due all claims for labor performed, materials furnished and equipment and fixtures used on or in connection with the Trust Property or any part thereof and shall not permit any mechanic's, artisan's, laborer's or materialman's charges, liens, claims of liens or encumbrances to attach to the Trust Property.

#### **SECTION 5.3.**

(a) Grantor shall insure and keep insured with reputable, financially sound insurance companies (or through self-insurance with respect to workers' compensation and auto insurance), the Trust Property, business and operations in such amounts, with such deductibles and covering such risks as are insured against and carried in accordance with applicable law and prudent industry practice by companies engaged in the same or similar businesses operating in the same or similar locations, and providing for not less than thirty days' prior notice to Beneficiary of termination, lapse or cancellation of such insurance. Such insurance shall contain a lender's loss payable endorsement acceptable to Beneficiary and shall name Beneficiary as an additional named insured. If Grantor fails to comply with the foregoing, Beneficiary may (but shall not be required to) procure such insurance and add the cost thereof to the Secured Obligations.

(b) Application of insurance proceeds to payment of the Secured Obligations will not extend, postpone, or waive installments otherwise due, or change the amount of payments to be

made, and proceeds may be applied in such order and in such amounts as Beneficiary may elect. In the event of foreclosure of this Deed of Trust, all right, title and interest of Grantor in and to any insurance policies then in force will pass to Beneficiary who is hereby appointed attorney-in-fact for Grantor to assign and transfer such policies.

SECTION 5.4. Grantor shall pay or cause to be paid all taxes and assessments of every kind, nature and description levied or assessed on or against the Trust Property before they become delinquent.

SECTION 5.5.

(a) All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation (or transfer in lieu thereof) for public or private use affecting the Trust Property; (ii) all other claims and awards for damages to or decrease in value of the Trust Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to the Trust Property; and (iv) all interest which may accrue on any of the foregoing, are all absolutely and irrevocably assigned to and shall be paid to Beneficiary. At the absolute discretion of Beneficiary, whether or not its security is or may be impaired, but subject to applicable law if any, and without regard to any requirement contained in any other Section hereof, Beneficiary may apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any such claim and apply the balance to the Secured Obligations in any order, and release all or any part of the proceeds to Grantor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided however, that in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

(b) At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration but may impose any conditions on such use as Beneficiary deems necessary.

**SECTION 6. Protection and Preservation of Beneficiary's Interest**

SECTION 6.1. If Grantor shall fail to pay any taxes, assessments, expenses or charges, to keep all of the Trust Property free from liens and claims of liens, to maintain and repair the Trust Property, or to procure and maintain insurance thereon, upon giving Grantor notice thereof, Beneficiary may advance the monies necessary to pay the same to accomplish such maintenance and repairs or to procure and maintain such insurance. Beneficiary is hereby authorized to enter upon the Trust Property for such purposes.

**WARNING**

UNLESS GRANTOR PROVIDES BENEFICIARY WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED HEREIN, BENEFICIARY MAY PURCHASE INSURANCE AT GRANTOR'S EXPENSE TO PROTECT

BENEFICIARY'S INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT GRANTOR'S INTEREST. IF THE PROPERTY BECOMES DAMAGED, THE COVERAGE BENEFICIARY PURCHASES MAY NOT PAY ANY CLAIM GRANTOR MAKES OR ANY CLAIM MADE AGAINST GRANTOR. GRANTOR MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT GRANTOR HAS OBTAINED PROPERTY COVERAGE ELSEWHERE.

GRANTOR IS RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY BENEFICIARY. THE COST OF THIS INSURANCE MAY BE ADDED TO THE OUTSTANDING OBLIGATIONS. IF THE COST IS ADDED TO THE OUTSTANDING OBLIGATIONS, THE HIGHEST INTEREST RATE APPLICABLE UNDER THE LOAN DOCUMENTS WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE GRANTOR'S PRIOR COVERAGE LAPSED OR THE DATE GRANTOR FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE BENEFICIARY PURCHASES MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE GRANTOR CAN OBTAIN ON GRANTOR'S OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

SECTION 6.2. Except as set forth in this Section or as otherwise permitted in the Security Agreement, without obtaining the prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed, Grantor shall not from and after the date of this Deed of Trust sell, transfer, convey, assign or otherwise dispose of, or further encumber, all or any part of the Trust Property or any interest therein, voluntarily or involuntarily, by operation of law or otherwise. In addition to all monetary and non-monetary encumbrances to title existing as of the date hereof, Beneficiary expressly acknowledges and consents to the following monetary liens and encumbrances on the Property: liens for taxes and assessments not yet delinquent.

## **SECTION 7. Representations, Warranties and Waivers**

SECTION 7.1. Grantor represents and warrants to Beneficiary the following:

(a) If Grantor is a corporation, limited liability company or partnership, Grantor (i) is duly organized, validly existing and in good standing under the laws of the state in which it is organized; (ii) is qualified to do business and is in good standing under the laws of the state in which the Trust Property is located and in each state in which it is doing business; (iii) has full power and authority to own its properties and assets and to carry on its business as now conducted; and (iv) is fully authorized and permitted to execute and deliver this Deed of Trust.

(b) Grantor is the sole legal and equitable owner of the Trust Property, holding good and marketable fee simple title to the Trust Property, subject to no liens, encumbrances,

leases, security interests or rights of others except for the Permitted Liens (as defined in the Security Agreement).

(c) The execution, delivery and performance by Grantor of this Deed of Trust and all other documents and instruments relating to the Secured Obligations will not result in any breach of the terms or conditions or constitute a default under any agreement or instrument under which Grantor is a party or is obligated.

(d) That the name specified above for Grantor is the true and correct legal name of Grantor.

(e) Grantor shall give Beneficiary prompt written notice of any change in the location of Grantor's records concerning the Trust Property. Each Grantor shall give Beneficiary prompt written notice of any change in the name, identity or structure of Grantor or any change in the state of formation or organization of Grantor.

(f) The liens, security interests and assignments created hereby and granted by Grantor hereunder are valid, effective, and enforceable liens, security interests and assignments.

(g) Grantor shall timely pay all sums that may become due and payable under this Deed of Trust.

(h) Grantor shall provide Beneficiary with prompt notice in the event of an actual or threatened commencement of a condemnation or eminent domain proceeding.

(i) Grantor warrants that this Deed of Trust is not and will at all times be construed not to be a residential trust deed as that term is defined in ORS 86.705(3), or any successor to such statute.

**SECTION 7.2.** All representations, warranties and waivers made herein shall survive the execution hereof, the execution and delivery of all other documents and instruments in connection with the Secured Obligations, and until the Secured Obligations have been fully paid and performed.

## **SECTION 8. Hold Harmless and Indemnification**

**SECTION 8.1.** Grantor shall at all times protect, indemnify and save Beneficiary, the Secured Parties and Trustee, and their successors and assigns (each, a "Released Party") harmless from and against all liabilities, losses, damages, claims, obligations, penalties, costs and expenses, including reasonable attorneys' fees incurred by reason of any action, suit, proceeding, hearing, motion or application before any court or administrative body in and to which Beneficiary or Trustee may be or become a party by reason of (a) any failure of Grantor to comply with any of the terms of this Deed of Trust, (b) any loss or damage to property or any injury to or death of any person that may be occasioned by any cause whatsoever pertaining to the Trust Property or the use thereof, (c) any representation or warranty of Grantor set forth herein, in the Security Agreement or in any of the other Loan Document proving to be untrue in any material respect, or (d) any action, suit, claim,



demand, administrative proceeding, enforcement action or governmental or private action contesting or affecting title to the Trust Property, or arising from or in connection with the ownership, use or operation of the Trust Property (each of the foregoing clauses (a) through (d), a "Third Party Claim"), or (e) a claim asserted by any person or entity other than a Released Party against a Released Party for subrogation, indemnification or contribution with respect to amounts paid or payable by such person or entity to Grantor. The foregoing shall be equally applicable to the respective officers, directors, employees and agents of a Released Party, and their successors and assigns. All money paid or expended by a Released Party in regard to the foregoing, together with interest thereon from the date of such payment at the highest default rate of interest set forth in the Loan Documents, shall be treated as additional Obligations secured hereby and shall be immediately due and payable by Grantor without notice or demand therefor. This indemnity obligation shall survive the payment of the Obligations and the release of this Deed of Trust. Grantor hereby represents and warrants that no other person or entity is entitled to receive any settlement payment payable in connection with a Third Party Claim and that no other person or entity has a valid Third Party Claim against any Released Party arising out of or relating to the claims released hereby. In the event of a Third Party Claim against a Released Party, Grantor agrees to assume the defense of such Third Party Claim on behalf of the Released Parties, including payment of expenses and attorneys' fees incurred in defense of the Third Party Claim. Grantor shall have the right to select counsel for defense of the Third Party Claim with Beneficiary's approval, provided that such counsel shall have the requisite experience, skill and competence, in the reasonable judgment of Beneficiary, to handle the defense of the Third Party Claim and shall not have any conflict of interest in representing the Released Parties in defense of the Third Party Claim. Grantor shall keep the Released Parties informed of all events in respect of the defense of the Third Party Claim. The Released Parties shall have the right at any time to terminate the assumption of the defense of the Third Party Claim by Grantor and to assume their own defense if the Released Parties reasonably determine that their interests are not being adequately represented by Grantor, in which event all attorneys' fees, related expenses and other defense costs and expenses incurred by the Released Parties shall be paid by Grantor upon written request therefor.

## SECTION 8.2. Environmental Indemnities.

### (a) Definitions.

(ii) "Contaminant" means any pollutant, hazardous substance, toxic substance, hazardous waste or other substance regulated or forming the basis of liability under any Environmental Law.

(ii) "Environmental Law" means all Governmental Rules, and agreements with Governmental Authorities, relating to the regulation and protection of the environment. Environmental Laws include but are not limited to the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.); the Hazardous Material Transportation Act, as amended (49 U.S.C. § 180 et seq.); the Federal Insecticide, Fungicide, and Rodenticide Act, as amended (7 U.S.C. § 136 et seq.); the Resource Conservation and Recovery Act, as amended (42 U.S.C. § 6901 et seq.); the Toxic Substance Control Act, as amended (42 U.S.C. § 7401 et seq.); the Clean Air Act, as amended (42 U.S.C. § 740 et seq.); the

Federal Water Pollution Control Act, as amended (33 U.S.C. § 1251 et seq.); and the Safe Drinking Water Act, as amended (42 U.S.C. § 300f et seq.), and their state and local counterparts or equivalents and any applicable transfer of ownership notification or approval statutes.

(iii) "Environmental Liabilities and Costs" means, as to any person, all liabilities, obligations, responsibilities, Remedial Actions, losses, damages, punitive damages, consequential damages, treble damages, costs and expenses (including all fees, disbursements and expenses of counsel, experts and consultants and costs of investigation and feasibility studies), fines, penalties, sanctions and interest incurred as a result of any claim or demand by any other person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, including any thereof arising under any Environmental Law, permit, order or agreement with any Governmental Authority or other person, and which relate to any violation or alleged violation of an Environmental Law or a permit, or a Release or threatened Release.

(iv) "Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

(v) "Governmental Rule" means any applicable law, rule, regulation, treaty, ordinance, order, code interpretation, judgment, decree, directive, guideline, policy or similar form of decision of any Governmental Authority.

(vi) "Release" means, as to any person, any unpermitted spill, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration of a Contaminant into the environment or any "release" as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. § 9601 et seq.).

(vii) "Remedial Action" means all actions required to clean up, remove, prevent or minimize a Release or threat of Release or to perform pre-remedial studies and investigations and post-remedial monitoring and care.

(b) Indemnity. Grantor shall indemnify Beneficiary and/or Secured Parties, and their directors, officers, employees, agents, successors and assigns (the "Indemnitees") against, and hold each Indemnatee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the reasonable fees, charges and disbursements of any counsel for any Indemnatee) and shall indemnify and hold harmless each Indemnatee from all reasonable fees and time charges and disbursements for attorneys who may be employees of any Indemnatee, incurred by any Indemnatee or asserted against any Indemnatee by any third party or by Grantor arising out of, in connection with, or as a result of any actual or alleged presence or Release of Contaminants on or

from any property owned or operated by Grantor, or any Environmental Liabilities and Costs related in any way to Grantor. All amounts due under this Section shall be paid to Beneficiary promptly upon demand. GRANTOR'S DUTY AND OBLIGATION TO DEFEND, INDEMNIFY AND HOLD HARMLESS INDEMNITEES SHALL SURVIVE THE CANCELLATION OF THE SECURED OBLIGATIONS AND THE RELEASE OR PARTIAL RELEASE OF THIS DEED OF TRUST.

#### **SECTION 9. Defaults; Remedies**

SECTION 9.1. The occurrence of any "Event of Default" as that term is defined in the Security Agreement shall constitute an "Event of Default" under this Deed of Trust.

SECTION 9.2. Upon the occurrence of any Event of Default, and at any time while such Event of Default is continuing, Beneficiary may do one or more of the following:

(a) Declare all of the Secured Obligations to be immediately due and payable, and the same, with all costs and charges, shall be collectible thereupon by action at law.

(b) Give such notice of default and of election to cause the Trust Property to be sold as may be required by law or as may be necessary to cause Trustee to exercise the power of sale granted herein. Trustee shall then cause to be recorded, published and delivered to Grantor such notice of sale as then required by law and, after the expiration of such time as may be required by law, may sell the Trust Property at the time and place specified in the notice of sale, as a whole or in separate parcels as directed by Beneficiary, or by Grantor to the extent required by law, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale, all in accordance with applicable law. Beneficiary may be a purchaser at such sale and, if Beneficiary is the highest bidder, Trustee may credit the portion of the purchase price that would be distributed to Beneficiary against the Secured Obligations in lieu of paying cash. Trustee may, from time to time, postpone or continue the sale of all or any portion of the Trust Property by public declaration at the time and place last appointed for the sale. Upon any sale, Trustee shall deliver its deed conveying the property sold, without any covenant or warranty, express or implied, to the purchaser or purchasers at the sale. The recitals in such deed of any matters or facts shall be conclusive as to the accuracy thereof. Any person, including Grantor, Trustee or Beneficiary may purchase at the sale. Notwithstanding anything else herein to the contrary, after deducting all costs, fees and expenses of Trustee hereunder, including, without limitation, Trustee's fees and reasonable attorneys' fees and costs of evidence of title in connection with the sale, Trustee shall apply the proceeds of the sale in the following priority, to repayment of: (i) first, all sums expended under the terms of this Deed of Trust, not then repaid; (ii) second, all sums due under the Security Agreement; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

(c) Commence proceedings for foreclosure of this Deed of Trust in the manner provided by law for the foreclosure of a real property mortgage.

(d) Exercise any or all of the remedies of a secured party under the Uniform Commercial Code with respect to the Personal Property. If Beneficiary should proceed to dispose of any of the Personal Property in accordance with the provisions of the Uniform Commercial Code,

and unless another period of time is required by law, ten (10) days' notice by Beneficiary to Grantor shall be deemed to be commercially reasonable notice under any provision of the Uniform Commercial Code requiring notice.

(e) Apply for and obtain, without regard to the adequacy of any security for the Secured Obligations or the solvency of the Grantor or any other person or entity, a receiver by any court of competent jurisdiction to take charge of all the Trust Property, to manage, operate and carry on any business then being conducted or that could be conducted on the Premises, and to carry on, protect, preserve, replace and repair the Trust Property. Upon appointment of said receiver, Grantor shall immediately deliver possession of all of the Trust Property to such receiver. Neither the appointment of a receiver for the Trust Property by any court at the request of Beneficiary or by agreement with Grantor nor the entering into possession of all or any part of the Trust Property by such receiver shall constitute Beneficiary a "mortgagee in possession" or otherwise make Beneficiary responsible or liable in any manner with respect to the Trust Property or the occupancy, operation or use thereof.

(f) Exercise any other remedies available to Beneficiary and/or the Secured Parties under the Security Agreement, the Loan Documents, at law or in equity.

SECTION 9.3. Grantor shall pay all reasonable costs and expenses incurred by Beneficiary in enforcing payment and performance of the Secured Obligations or in exercising the rights and remedies of Beneficiary hereunder. In addition, if any arbitration or litigation is instituted to interpret, enforce, or rescind this Deed of Trust, including but not limited to any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's reasonable attorney's fees (both in-house and outside counsel) and other fees, costs, and expenses of every kind incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court.

SECTION 9.4. All rights and remedies of Beneficiary provided hereunder are cumulative and are in addition to all rights and remedies provided by applicable law, the Security Agreement, the Loan Documents or in any other agreements between Grantor, Beneficiary and/or the Secured Parties. No failure on the part of Beneficiary to exercise any of its rights hereunder arising upon the occurrence of any Event of Default shall be construed to prejudice its rights upon the occurrence of any other or subsequent Event of Default. No delay on the part of Beneficiary in exercising any such rights shall be construed to preclude it from the exercise thereof at any time while that Event of Default is continuing. Beneficiary may enforce any one or more remedies or rights hereunder successively or concurrently. By accepting payment or performance of any of the Secured Obligations after its due date, Beneficiary and/or the Secured Parties shall not waive the agreement contained herein that time is of the essence, nor shall Beneficiary and/or the Secured Parties waive either their right to require prompt payment or performance when due of the remainder of the Secured Obligations or their right to consider the failure to so pay or perform an Event of Default..

## **SECTION 10.**

### **General Provisions**

SECTION 10.1. Upon written request of Beneficiary stating that all of the Secured Obligations have been paid, and upon surrender of this Deed of Trust, the Security Agreement, and the other applicable Loan Documents to Trustee for cancellation and retention or, if requested, delivery, then Trustee (and Beneficiary if necessary to clear title), upon payment of Trustee's fees, shall reconvey, without warranty, the Trust Property. The recitals in such reconveyance of any matters or facts shall be conclusive as to the accuracy thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

SECTION 10.2. Time is of the essence hereof. If more than one Grantor is named herein, the word "Grantor" shall mean all and any one or more of them, severally and collectively. All liability of the Grantor hereunder shall be joint and several. This Deed of Trust shall be binding upon, and shall inure to the benefit of, the parties hereto and their heirs, personal representatives, successors and assigns. The term "Beneficiary" shall include not only the original Beneficiary hereunder but also any assignee or successor thereto. The provisions hereof shall apply to the parties according to the context thereof and without regard to the number or gender of words or expressions used. The term "person" shall include any individual, company, trust or other legal entity of any kind. The term "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to." When the context and construction so require, all words used in the singular shall be deemed to have been used in the plural and vice versa.

SECTION 10.3. This Deed of Trust cannot be amended or modified except by agreement, in writing, signed by Grantor and Beneficiary.

SECTION 10.4. Each term, condition and provision of this Deed of Trust shall be interpreted in such manner as to be effective and valid under applicable law but if any term, condition or provision of this Deed of Trust shall be held to be void or invalid, the same shall not affect the remainder hereof which shall be effective as though the void or invalid term, condition or provision had not been contained herein. In addition, should this instrument be or become ineffective as a deed of trust, then these presents shall be construed and enforced as a realty mortgage with the Grantor being the mortgagor and Beneficiary being the mortgagee.

SECTION 10.5. This Deed of Trust and all documents related hereto or referenced herein shall be governed by and construed in accordance with the laws of the State of Oregon.

SECTION 10.6. All notices, requests and other communications to any party hereunder shall be in writing (including electronic transmission, facsimile transmission or similar writing) and shall be given to such party at the address of that party shown at the end of this Deed of Trust or such other address as that party, from time to time, may specify by notice to the other parties. All notices, demands, requests, or other communication of any kind (a "notice") that any party may be required or may desire to serve upon another party hereunder shall be deemed delivered (a) five (5) Business Days following deposit in the United States mail with first class postage prepaid, (b) the next Business Day after such notice was delivered to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (c) upon receipt of notice given by fax, mailgram, telegram,

telex or personal delivery. Rejection or refusal to accept a notice, or inability to deliver a notice because of a changed address of which no notice of changed address was given, shall constitute delivery of any such notice to the addressee.

SECTION 10.7. The Recitals set forth at the beginning of this Deed of Trust are incorporated herein and made part hereof by this reference.

SECTION 10.8. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195,301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930 AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING PROPERTY OWNERS, IF ANY, UNDER ORS 195.300, 195,301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007.

SECTION 10.9. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY A BENEFICIARY CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE GRANTOR'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY THE BENEFICIARY TO BE ENFORCEABLE.

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IN WITNESS WHEREOF, these presents are executed as of the date indicated above.

**GRANTOR:**

**COLUMBIA PLYWOOD CORPORATION**, a North  
Carolina corporation

By: [Signature]  
Name: Ron Jorde  
Title: VICE PRESIDENT

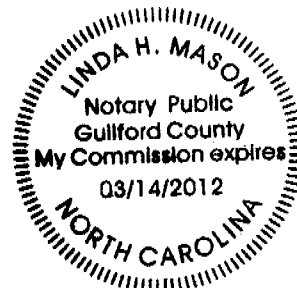
STATE OF NC )  
 ) ss.  
County of Guilford )

The foregoing instrument was acknowledged before me this 16th day of June,  
2008, by Ron Jorde, Vice President of **COLUMBIA PLYWOOD**  
**CORPORATION**, a North Carolina corporation, on behalf of that corporation.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

[Signature]  
Notary Public for Guilford County, NC  
My commission expires: March 14, 2012

[Continued on next page]



Notices to Grantor Address:

Columbia Plywood Corporation  
c/o Columbia Forest Products, Inc.  
7820 Thorndike Road  
Greensboro, NC 27409  
Attn: Ron Jorde

With a copy to:

Schwabe, Williamson & Wyatt, P.C.  
1211 SW 5th Avenue, Suite 1900  
Portland, OR 97204  
Attn: Carmen Calzacorta

Notices to Trustee Address:

Chicago Title Company of Oregon  
888 SW Fifth Avenue, Suite 930  
Portland, OR 97204  
Attn: Malcolm Newkirk

Notices to Beneficiary Address:

Wells Fargo Bank, National Association  
1300 SW 5th Ave.  
MAC P6101-142  
Portland, OR 97201  
Attn: Debbie Ward

With a copy to:

Perkins Coie LLP  
1120 NW Couch Street, Tenth Floor  
Portland, Oregon 97209  
Attn: George Fogg



## EXHIBIT A

### Premises Description

#### PARCEL 1:

All that part of Lot 1 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the intersection of the centerline of the railway of the Great Northern Railway Company as now located and constructed with the Southerly boundary of said Lot 1 at a point distance 220.7 feet Easterly from the Southwest corner of said Lot 1; thence Northeasterly along the said center line 330.2 feet; thence Northwesterly perpendicularly to the said center line 9 feet to the true point of beginning; thence continuing Northwesterly along the last described course 52 feet, more or less, to an intersection with the Northeasterly boundary of the right of way of the Klamath Falls-Weed Highway as described in a grant of easement dated November 22, 1935, from the Great Northern Railway Company to Klamath County, Oregon; thence Northwesterly along the said Northeasterly boundary to an intersection with the Westerly boundary of said Lot 1; thence Northerly along the said Westerly boundary of said Lot 1 to the Northwest corner of said Lot; thence Easterly along the Northerly boundary of said Lot; 751.3 feet, more or less, to a point distance 9 feet northwesterly at right angles from the centerline of railway; thence Southwesterly parallel to the said centerline and 9 feet Northwesterly therefrom to the true point of beginning.

EXCEPTING that portion conveyed to the State of Oregon by and through its Department of Transportation by instrument recorded in Volume M92, page 4516, Microfilm Records of Klamath County, Oregon.

#### PARCEL 2:

All that part of Lot 1 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northwest corner of said Lot 1; thence South  $89^{\circ} 27'$  East along the North line of said lot 736.7 feet; thence South  $24^{\circ} 00'$  East 51.08 feet, more or less, to a point 26.5 feet distant Southeasterly measured at right angles from the centerline of the right of way of the Great Northern Railway Company, as now located and constructed, being the true point of beginning of this description; thence continuing South  $24^{\circ} 00'$  East 424 feet, more or less, to the low water mark on the Northwesterly bank of the Klamath River; thence Southwesterly along said River Bank to the South line of said Lot 1; thence North  $89^{\circ} 19'$  West along said South line 129.5 feet, more or less, to a point 26.5 feet distant Southeasterly measured at right angles from the centerline of said railway, as now located and constructed; thence Northeasterly parallel with said centerline and 26.5 feet distant therefrom to the true point of beginning.

EXCEPTING that portion conveyed to the State of Oregon by and through its Department of Transportation by instrument recorded in Volume M92, page 4516, Microfilm Records of Klamath County, Oregon.

**PARCEL 3:**

All that portion of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the corner common to Sections 7, 8, 17 and 18 of said Township and Range; thence South  $0^{\circ} 54' 30''$  West, 679.9 feet; thence South  $41^{\circ} 31'$  West, 875.9 feet; thence South  $24^{\circ}$  East, 43.96 feet to the true point of beginning of this description; thence South  $24^{\circ}$  East, 431.13 feet; thence North  $63^{\circ} 55'$  East, 92.5 feet; thence North  $27^{\circ} 14'$  West, 458.8 feet to a point; thence South  $41^{\circ} 31'$  West, 73.1 feet to the true point of beginning.

**PARCEL 4:**

Northeast 1/4 of the Northwest 1/4 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM the following:

Beginning at the Northeast corner of East 1/2 of the Northwest 1/4 of said Section 18; thence South 160 feet; thence West 60 feet; thence North 160 feet; thence East 60 feet to the point of beginning.

**PARCEL 5:**

A tract of land situated in the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, being that portion of the Northerly 30 acres lying Westerly of the U.S. Highway No. 97, EXCEPTING THEREFROM the Northerly 100 feet, and being more particularly described as follows:

Beginning at a point on the Westerly right of way line of said U.S. Highway 97, said point being South  $00^{\circ} 37' 00''$  West 100.00 feet and South  $89^{\circ} 30' 00''$  East 1065.66 feet from the North quarter corner of said Section 18; thence North  $89^{\circ} 30' 00''$  West 1065.66 feet to a 5/8 inch iron pin on the West line of the Northwest 1/4 of the Northeast 1/4 of said Section 18; thence South  $00^{\circ} 37' 00''$  West along said West line; 896.00 feet to a 5/8 inch iron pin; thence South  $89^{\circ} 06' 45''$  East generally along an old fence line, 1143.05 feet to a 5/8 inch iron pin on the Westerly right of way line of said highway; thence Northerly along said Westerly right of way line (direct tie line bears North  $04^{\circ} 16' 41''$  West 906.88 feet) to the point of beginning, with bearings based on the North line of the Northeast 1/4 of said Section 18, as being South  $89^{\circ} 30' 00''$  East, as per recorded Survey No. 2149, as recorded in the Klamath County Surveyor's office.

ALSO BEGINNING at the Northeast corner of the E 1/2 NW 1/4, Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence South 160 feet; thence West 60 feet; thence North 160 feet thence East 60 feet to the point of beginning.

ALSO a reservoir site described as follows:

Beginning at a point which is 100 feet South of the Northeast corner of the SE1/4 NW 1/4, Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence South 100 feet; thence West 100 feet; thence North 100 feet; thence East 100 feet to the point of beginning.

EXCEPTING that portion convey to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded in Volume M92, page 4511, Microfilm Records of Klamath County, Oregon.

**PARCEL 6:**

Beginning at the one-quarter corner common to Sections 7 and 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence South  $89^{\circ} 30'$  East along the North line of said Section 18, a distance of 1066.8 feet, more or less, to the Westerly right of way line of the Dalles-California Highway; thence South  $1^{\circ} 32'$  West along said right of way line a distance of 100.0 feet; thence North  $89^{\circ} 30'$  West 1065.2 feet, more or less, to the West line of the Northwest 1/4 of the Northeast 1/4 of said Section 18; thence North  $0^{\circ} 37'$  East 100.0 feet, more or less, to the point of beginning; being a portion of the Northwest 1/4 of the Northeast 1/4 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

EXCEPTING that portion convey to the State of Oregon, by and through its Department of Transportation, Highway Division, recorded in Volume M92, page 4511, Microfilm Records of Klamath County, Oregon.

**PARCEL 7:**

A tract of land situated in the NW1/4, Section 17, and the NE1/4, Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 2-inch iron pin on the Southeasterly right of way line of the Burlington Northern Railroad (formerly Great Northern Railroad) from which the Northeast corner of said Section 18 bears North  $02^{\circ} 33' 44''$  East, 776.39 feet; thence South  $27^{\circ} 15' 48''$  East 822.93 feet to a 2-inch iron pipe on the bank of Klamath River as described in Deed Volume 337, page 60, Deed Records of Klamath County, Oregon; thence along the lines of said Deed Volume, South  $72^{\circ} 28' 30''$  West 599.50 feet to a 5/8 inch iron pin with plastic cap, South  $63^{\circ} 55' 00''$  West 93.00 feet to a 5/8 inch iron pin marking the Southwest corner of that tract of land described in Deed Volume M69, page 8019, Microfilm Records of Klamath County, Oregon; thence North  $27^{\circ} 15' 48''$  West 458.75 feet to a 5/8 inch iron pin marking the Northeast corner of said tract and being on the Southeasterly right of way line of said railroad right of way; thence along said right of way line North  $41^{\circ} 31' 00''$  East 641.90 feet to a 5/8 inch iron pin with plastic cap, on the arc of a curve to the right (central angle equals  $05^{\circ} 31' 26''$  and radius equals 934.93 feet) 90.14 feet to the point of beginning, with bearings based on Great Northern Railway Map t-58.

AND ALSO, a tract of land situated in Government Lots 1, 11 and 12, Section 17, and the NE1/4 NE1/4, Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 2-inch iron pipe on the Southerly right of way line of the Burlington Northern Railroad (formerly Great Northern Railroad) from which the Northeast corner of said Section 18 bears North 02° 33' 44" East 776.39 feet; thence Northeasterly along the said right of way line on the arc of a curve to the right (radius point bears South 42° 57' 34" East 934.93 feet, central angle = 15° 55' 34") 259.88 feet; thence Easterly along a line 20 feet Southerly of the centerline of a railroad spur on the arc of a curve to the right (radius point bears South 27° 02' 00" East 465.82 feet, central angle = 39° 48' 46") 323.68 feet; thence leaving said railroad spur, South 31° 22' 30" East, 674.38 feet; thence North 52° 55' 38" East 763.67 feet; thence North 64° 31' 06" East 373.13 feet; thence South 21° 44' 14" East 81.11 feet to the Southeasterly line of that tract of land described in Volume 337, page 60 Deed Records of Klamath County, Oregon, the water line of Klamath River bears Southeasterly 25 feet; thence along said deed line: South 86° 21' 00" West, 50.44 feet, South 69° 07' 00" West 287.00 feet, South 53° 09' 00" West 584.00 feet, South 44° 03' 30" West 151.00 feet South 48° 17' 00" West 137.00 feet, South 58° 37' 00" West 322.00 feet and South 72° 28' 30" West 219.50 feet to a 2-inch iron pipe, the water line of said river bears Southeasterly 12 feet; thence North 27° 15' 48" West 822.93 feet to the point of beginning, with bearings based on map of Survey No. 4016 as recorded at the Klamath County Surveyor's Office.

**PARCEL 8:**

A strip of land situated in Government Lots 1 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Commencing at the Northwest corner of said Government Lot 1; thence South 89° 27' East along the North line of said Government Lot 1 a distance of 736.7 feet; thence South 24° 00' East, along a line hereinafter referred to as "Line A", a distance of 51.08 feet, more or less, to a point 26.5 feet distant Southeasterly, measured radially from the centerline of The Burlington Northern and Santa Fe Railway Company's Lead Track as now located and constructed, and the True Point of Beginning; thence Southwesterly along a line drawn concentric and parallel with said Lead Track centerline a distance of 1,160 feet, more or less, to the intersection with a line drawn parallel with and distant 50.0 feet Northeasterly, as measured at right angles for the centerline of U. S. Highway 97 (Dalles-California Highway); thence Northwesterly along the last described parallel line 30 feet, more or less, to a point being 8.5 feet Southeasterly, as measured at right angles from said Lead Track centerline; thence Northeasterly along a line drawn concentric and parallel with said Lead Track centerline a distance of 1,185 feet, more or less, to the intersection with the North line of said Government Lot 1; thence South 89° 27' East along the North line of said Government Lot 1 to the intersection with a line drawn parallel with and distant 20.0 feet Southeasterly, as measured at right angles from said Lead Track centerline; thence Southwesterly along the last described parallel line 50 feet, more or less, to the intersection with said "Line A"; thence South 24° 00' East 7 feet, more or less, to the True Point of Beginning.

ALSO,

A parcel of land situated in said Government Lot 1 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Commencing at the intersection of said Lead Track centerline with the South line of said Government Lot 1 at a point distance 220.7 feet Easterly from the Southwest corner of said Government Lot 1; thence Northeasterly along said Lead Track centerline 330.2 feet; thence Northwesterly radially to said Lead Track centerline 9.0 feet to a the most Southerly corner of that certain tract of land described in deed from Great Northern Railway Company to Klamath Door Co. dated November 17, 1950, and the True Point of Beginning; thence continuing Northwesterly radially to said Lead Track centerline 41.0 feet; thence Southwesterly parallel with said Lead Track centerline to the intersection with a line drawn parallel with and distant 50.0 feet Northeasterly, as measured at right angles from the centerline of U. S. Highway 97 (Dalles-California Highway); thence southeasterly along the last described parallel line 60 feet, more or less, to a point being 9.0 feet Northwesterly, as measured radially from said Lead Track centerline; thence Northeasterly along a line drawn concentric with said Lead Track centerline 70 feet, more or less, to the True Point of Beginning.