

NOTE 891099

2010-013412
Klamath County, Oregon



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Fee: \$167.00

Drawn By and Return To:
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Charlotte, North Carolina 28202-4003

LINE OF CREDIT TRUST DEED
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT, TIMBER FILING AND FIXTURE FILING

STATE OF OREGON

COUNTY OF KLAMATH

MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE SECURED CREDIT DOCUMENTS IS \$1,500,000.00.

THE MATURITY DATE OF THE SECURED CREDIT DOCUMENTS, EXCLUSIVE OF ANY OPTION TO RENEW OR EXTEND SUCH MATURITY DATE, IS SEPTEMBER 30, 2012.

THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE SECURED CREDIT DOCUMENTS MAY BE EXCEEDED BY ADVANCES TO COMPLETE CONSTRUCTION PURSUANT TO ORS 86.155(2)(c)

THIS SECURITY INSTRUMENT COVERS GOODS WHICH ARE OR ARE TO BECOME FIXTURES AND TIMBER TO BE CUT, IS EFFECTIVE AS A FINANCING STATEMENT FILED AS A FIXTURE FILING AND AS A FINANCING STATEMENT COVERING TIMBER TO BE CUT IN ACCORDANCE WITH ORS 79.0502 AND IS TO BE FILED IN THE REAL ESTATE RECORDS.

THIS LINE OF CREDIT TRUST DEED, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, TIMBER FILING AND FIXTURE FILING (this "Security Instrument") is made and entered into as of November 18, 2010, by and between JELD-WEN, inc., an Oregon corporation, whose address is 401 Harbor Isles Blvd., Klamath Falls, Oregon 97601 (the "Grantor"), in favor of CHICAGO TITLE INSURANCE COMPANY OF OREGON, an Oregon corporation, in its capacity as trustee (together with its successors and assigns in such capacity, the "Trustee"), with an address of 1211 SW Fifth Avenue, Suite 2130, Portland, Oregon 97204 and BANK OF AMERICA, N.A., in its capacity as Collateral Agent

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Klamath County Mortgage
Ref #129 and 130 and Williams Timberlands Parcel

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(together with its successors and assigns in such capacity, the "Agent") for the Secured Creditors (as defined herein) with an address of Agency Management, 1455 Market St, 5th Floor, CA5-701-05-19, San Francisco, California 94103, as beneficiary hereunder as defined in ORS 86.705(1).

RECITALS

WHEREAS, pursuant to that certain Credit Agreement dated as of January 30, 2006 (as amended by that certain First Amendment to Credit Agreement dated as of May 11, 2007, that certain Waiver Letter dated as of November 12, 2007, that certain Second Amendment to Credit Agreement dated as of April 11, 2008, that certain Limited Waiver Agreement dated as of April 16, 2009, that certain Second Limited Waiver Agreement dated as of May 21, 2009, that certain Third Limited Waiver Agreement dated as of June 17, 2009 and that certain Amended and Restated Credit Agreement dated as of July 8, 2009 and as may be further amended, modified, restated, extended, renewed or replaced from time to time, the "Credit Agreement") among the Grantor, Bank of America, N.A., as administrative agent (in such capacity, the "Administrative Agent"), and the lenders party thereto (the "Credit Agreement Lenders"), the Credit Agreement Lenders have agreed to make certain financial accommodations as set forth therein.

WHEREAS, the Grantor, the guarantors from time to time party thereto (each individually a "Guarantor", and collectively the "Guarantors") and the Administrative Agent have entered into a Guaranty, dated as of July 8, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement Guaranty").

WHEREAS, pursuant to that certain Note Purchase Agreement, dated as of July 1, 1999, between the Grantor and each of the "Purchasers" identified on Schedule A attached thereto (the "Series 1999 Noteholders"), as amended by that certain Omnibus Amendment dated as of August 17, 2006, that certain Second Omnibus Amendment, dated as of June 20, 2008, that certain Noteholder Temporary Waiver dated as of April 16, 2009, that certain Second Noteholder Temporary Waiver dated as of May 21, 2009 and that certain Third Noteholder Temporary Waiver dated as of June 17, 2009 (the "Series 1999 Note Purchase Agreement"), the Grantor issued (i) \$52,000,000 in original principal amount of its 9.99% Senior Notes, Series C, due July 1, 2009 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 1999-C Notes") and (ii) \$20,000,000 in original principal amount of its 10.115% Senior Notes, Series D, due July 1, 2014 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 1999-D Notes", together with the Series 1999-C Notes, collectively, the "Series 1999 Notes").

WHEREAS, pursuant to that certain Note Purchase Agreement, dated as of August 7, 2003, between the Grantor and each of the "Purchasers" identified on Schedule A attached thereto (the "Series 2003 Noteholders"), as amended by that certain Omnibus Amendment dated as of August 17, 2006, that certain Second Omnibus Amendment, dated as of June 20, 2008, that certain Noteholder Temporary Waiver dated as of April 16, 2009, that certain Second Noteholder Temporary Waiver dated as of May 21, 2009 and that certain Third Noteholder Temporary Waiver dated as of June 17, 2009 (the "Series 2003 Note Purchase Agreement"), the Grantor issued (i) \$75,000,000 in original principal amount of its 6.68% Senior Notes, Series A, due August 7, 2010

(as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2003-A Notes"), and (ii) \$35,000,000 in original principal amount of its 7.49% Senior Notes, Series B, due August 7, 2013 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2003-B Notes"), together with the Series 2003-A Notes, collectively, the "Series 2003 Notes").

WHEREAS, pursuant to that certain Note Purchase Agreement, dated as of September 28, 2006, between the Grantor and each of the "Purchasers" identified on Schedule A attached thereto (the "Series 2006 Noteholders", together with the Series 1999 Noteholders and the Series 2003 Noteholders, the "Private Placement Noteholders"), as amended by that certain Omnibus Amendment dated as of August 17, 2006, that certain Second Omnibus Amendment, dated as of June 20, 2008, that certain Noteholder Temporary Waiver dated as of April 16, 2009, that certain Second Noteholder Temporary Waiver dated as of May 21, 2009 and that certain Third Noteholder Temporary Waiver dated as of June 17, 2009 (the "Series 2006 Note Purchase Agreement", together with the Series 1999 Note Purchase Agreement and the Series 2003 Note Purchase Agreement, the "Private Placement Note Purchase Agreements"), the Grantor issued (i) \$10,000,000 in original principal amount of its 7.85% Senior Notes, Series A, due September 28, 2009 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2006-A Notes"), (ii) \$171,000,000 in original principal amount of its 7.96% Senior Notes, Series B, due September 28, 2012 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2006-B Notes"), (iii) \$30,000,000 in original principal amount of its Floating Rate Series C Senior Notes, due September 28, 2012 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2006-C Notes"), (iv) \$100,000,000 in original principal amount of its 8.06% Senior Notes, Series D, due September 28, 2014 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2006-D Notes"), (v) \$80,000,000 in original principal amount of its 8.16% Senior Notes, Series E, due September 28, 2016 (as amended, restated, supplemented, replaced or otherwise modified hereby or from time to time, collectively, the "Series 2006-E Notes"), together with the Series 2006-A Notes, the Series 2006-B Notes, the Series 2006-C Notes, and the Series 2006-D Notes, collectively, the "Series 2006 Notes", and together with the Series 1999 Notes and the Series 2003 Notes, collectively the "Private Placement Notes").

WHEREAS, the terms of the Private Placement Note Purchase Agreements have been amended and consolidated pursuant to that certain Amended, Restated and Consolidated Note Purchase Agreement dated as of July 8, 2009 (as may be amended, modified, restated, extended, renewed or replaced from time to time, the "Consolidated Note Purchase Agreement") among the Grantor and the Private Placement Noteholders.

WHEREAS, the Grantor and the other Guarantors have entered into a Guaranty, dated as of July 8, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "Note Purchase Agreement Guaranty") in favor of and for the benefit of the Private Placement Noteholders.

WHEREAS, pursuant to that certain Credit Agreement, dated as of July 1, 2006, as amended by that certain Amended & Restated Credit Agreement dated as of July 8, 2009 (as may

be amended, modified, restated, extended, renewed or replaced from time to time, the "Wells Fargo Credit Agreement"), among the Grantor and Wells Fargo Bank, National Association (solely in its capacity as the issuer of letters of credit under the Wells Fargo Credit Agreement, "Wells Fargo Bank"), Wells Fargo Bank has made certain financial accommodations as set forth therein.

WHEREAS, the Grantor, the other Guarantors and Wells Fargo Bank have entered into a Guaranty, dated as of July 8, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "Wells Fargo Guaranty").

WHEREAS, pursuant to that certain Guaranty, dated as of October 1, 2003, as amended by that certain Amended & Restated Guaranty dated as of July 8, 2009 (as may be amended, modified, restated, extended, renewed or replaced from time to time, the "U.S. Bank Guaranty"), made by the Grantor in favor of U.S. Bank, National Association ("U.S. Bank"), the Grantor guaranteed certain obligations of Suncadia, LLC to U.S. Bank.

WHEREAS, the Grantor, the other Guarantors and U.S. Bank have entered into a Guaranty, dated as of July 8, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "U.S. Bank Subsidiary Guaranty").

WHEREAS, the Agent, the Administrative Agent, the Private Placement Noteholders, Wells Fargo Bank, U.S. Bank, the Grantor and the other loan parties signatory thereto have entered into that certain Intercreditor and Collateral Agency Agreement dated as of July 8, 2009 (as may be amended, modified, restated, extended, renewed or replaced from time to time, the "Intercreditor Agreement") pursuant to which the Secured Creditors have appointed Bank of America, N.A. to serve as Collateral Agent for the Secured Creditors subject to the terms and conditions set forth therein. The term "Secured Creditors" shall mean, collectively, the Administrative Agent, the Agent, the Credit Agreement Lenders, the Private Placement Noteholders, Wells Fargo Bank and U.S. Bank, the L/C Issuer (as defined in the Credit Agreement) and shall include, without limitation, any Affiliate (as defined in the Credit Agreement) of a Credit Agreement Lender which has entered into a Secured Hedge Agreement (as defined in the Credit Agreement) with a Guarantor or any Affiliate of a Credit Agreement Lender which has entered into a Secured Cash Management Agreement (as defined in the Credit Agreement) with a Guarantor, each co-agent or sub-agent appointed by the Administrative Agent from time to time pursuant to Section 9.05 of the Credit Agreement, each co-agent or sub-agent appointed from time to time under the Intercreditor Agreement and the other Persons the Secured Obligations owing to which are or are purported to be secured by the Premises and "Secured Creditor" means any one of them. The term "Secured Credit Documents" shall mean the Credit Agreement, the Credit Agreement Guaranty, the Consolidated Note Purchase Agreement, the Note Purchase Agreement Guaranty, the Wells Fargo Credit Agreement, the Wells Fargo Guaranty, the U.S. Bank Guaranty and the U.S. Bank Subsidiary Guaranty.

WHEREAS, the Grantor is required under the terms of the Secured Credit Documents to execute and deliver this Security Instrument to the Trustee for the ratable benefit of the Secured Creditors.

W I T N E S S E T H:

In consideration of the foregoing recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Grantor irrevocably grants, mortgages, warrants, bargains, sells, pledges, remises, aliens, assigns, conveys, transfers and sets over to the Trustee, in trust, for the benefit of the Agent, WITH POWER OF SALE, and with all other statutory rights and covenants and subject to the further terms of this Security Instrument, all of the Grantor's right, title and interest in and to the following:

(a) All that tract or parcel of land and other real property interests in Klamath County, Oregon more particularly described in Exhibit A attached hereto and made a part hereof, together with all of the Grantor's right, title and interest in, to and under all rights of way, easements, privileges and appurtenances relating or appertaining to such real estate and all water and water rights, sewer and sewer rights, ditches and ditch rights, minerals, oil and gas rights, royalties, lease or leasehold interests owned by the Grantor, now or hereafter used in connection with or appurtenant to or related to such real estate, and all interests of the Grantor now owned or hereafter acquired in and to streets, roads, alleys and public places, now or hereafter used in connection with such real estate, and all existing or future licenses, contracts, permits and agreements required or used in connection with the ownership, operation or maintenance of such real estate, and any and all insurance proceeds, and any and all awards, including interest, previously or hereafter made to the Grantor for taking by eminent domain or in lieu thereof (collectively, the "Land"); and

(b) All crops and all trees, of any size, any age and any species, whether now located in or on or hereafter planted or growing in or on the Land, and all timber of any size, any age and any species (whether or not merchantable), whether severed or unsevered, including standing and downed timber, and stumps and cut timber remaining on the Land and any and all logs, timber, lumber, finished or milled lumber, bark, sawdust, logging and milling waste, hog fuel, wood chips, all timber and lumber subject to any manufacturing process, all raw material and work in progress, and all goods, inventory and other timber products, now or hereafter owned or acquired by the Grantor or in which the Grantor has an interest, in each case as arising out of or generated by or derived from the Land, and any and all products or proceeds of any of the foregoing and wherever located (collectively the "Timber"); and

(c) All buildings and improvements of every kind and description now or hereafter erected or placed on the Land (the "Improvements") and all materials intended for construction, reconstruction, alteration and repair of such Improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Premises (as hereinafter defined) immediately upon the delivery thereof to the Land, and all fixtures and articles of personal property now or hereafter owned by the Grantor and attached to or contained in and used in connection with the Land and Improvements including, but not limited to, all furniture, furnishings, apparatus, machinery, equipment, motors, elevators, supplies, fittings, radiators, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment and fixtures and appurtenances thereto and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to the Land and Improvements in any manner (the "Tangible

Personalty") and all proceeds of the Tangible Personalty (hereinafter, the Land, the Timber, Improvements, Tangible Personalty and all other property and interests described above, together with all proceeds thereof, being collectively referred to as the "Premises").

TO HAVE AND HOLD the same, together with all privileges, hereditaments, easements and appurtenances thereunto belonging, to the Trustee, for the benefit of the Agent, as security for the Secured Obligations.

As additional security for the Secured Obligations, the Grantor hereby transfers and assigns to the Agent and grants to the Agent a security interest under the Uniform Commercial Code (as defined herein) in all right, title and interest of the Grantor in and to all of the following, except to the extent any of the same shall constitute Specific Excluded Collateral (as defined in that certain Security and Pledge Agreement dated of July 8, 2009 between the Grantor, certain guarantors party thereto from time to time and the Agent):

(1) All security deposits, rents, issues, profits and revenues of the Premises from time to time accruing (the "Rents and Profits") and all existing and future leases, subleases, licenses and other agreements for the use and occupancy of all or part of the Premises, including without limitation, Timber Contracts (as hereinafter defined), together with all guarantees of the lessee's obligations thereunder (collectively, the "Leases"), whether oral or written, for a definite term or month-to-month. This assignment shall extend to and cover any and all extensions and renewals and future Leases and to any and all present and future rights against guarantor(s) of any such obligations and to any and all Rents and Profits collected under the Leases or derived from the Premises. In pursuance of this assignment, and not in lieu hereof, the Grantor shall, upon request from the Agent, execute and deliver to the Agent separate specific assignments of rents and leases covering some or all of the Leases, the terms of such assignments being incorporated herein by reference. This assignment is absolute and effective immediately and without possession; however, the Grantor shall have a revocable license to receive, collect and enjoy the Rents and Profits accruing from the Premises until an Event of Default has occurred. Upon the occurrence of any Event of Default, the license shall be revoked automatically, without need of notice, possession, foreclosure or any other act or procedure, and all Rents and Profits assigned hereby shall thereafter be payable to the Agent.

(2) All insurance policies and proceeds thereof, condemnation awards, any and all leases of personal property (including equipment leases), rental agreements, sales contracts, management contracts, franchise agreements, construction contracts, architects' contracts, technical services agreements, Timber Contracts and other contracts, licenses and permits now or hereafter affecting the Premises, all accounts relating to the Premises, including rights to payment for goods sold or leased or to be sold or leased or for services rendered or to be rendered), escrows, documents, instruments, chattel paper, claims, deposits and general intangibles, as the foregoing terms are defined in the Uniform Commercial Code in effect in the State in which the Premises is located, as amended from time to time (the "Uniform Commercial Code"), and all franchises, trade names, trademarks, symbols, service marks, books, records, plans, specifications, designs, drawings, permits, licenses, contract rights (including, without limitation, any contract with any architect or engineer or with any other provider of goods or services for or in connection with any construction, repair or other work upon the Premises, and

any contract for management or any other provision of service in connection with the Premises), approvals, actions, refunds of real estate taxes and assessments and any other governmental impositions related to the Premises, approvals, actions and causes of action that now or hereafter relate to, are derived from or are used in connection with the Premises, or the use, operation, maintenance, occupancy or enjoyment thereof or the conduct of any business or activities thereon (all of the foregoing being the "Intangible Personalty") or any part thereof, and the Grantor agrees to execute and deliver to the Agent such additional instruments, in form and substance reasonably satisfactory to the Agent, as may hereafter be reasonably requested by the Agent to evidence and confirm said assignment; provided, however, that acceptance of any such assignment shall not be construed as a consent by the Agent to any lease, rental agreement, management contract, franchise agreement, construction contract, technical services agreement or other contract, license or permit, or to impose upon the Agent any obligation with respect thereto.

(3) All proceeds, products, offspring, rents and profits from any of the foregoing, including, without limitation, those from sale, exchange, transfer, collection, loss, damage, disposition, substitution or replacement of any of the foregoing.

All the Tangible Personalty which comprises a part of the Premises shall, as far as permitted by law, be deemed to be "fixtures" affixed to the aforesaid Land and conveyed therewith. As to the balance of the Timber, the Tangible Personalty and the Intangible Personalty, this Security Instrument shall be considered to be a security agreement which creates a security interest in such items for the benefit of the Agent. In that regard, the Grantor grants to the Agent all of the rights and remedies of a secured party under the Uniform Commercial Code and grants to the Agent a security interest in all of the Timber, the Tangible Personalty and the Intangible Personalty.

The Grantor, the Trustee and the Agent covenant, represent and agree as follows:

ARTICLE I

Secured Obligations

1.1 Secured Obligations. This Security Instrument secures the prompt payment, performance and observance of all Secured Obligations (as defined in the Intercreditor Agreement), whether now existing or hereafter arising or incurred, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired (the "Secured Obligations"). The Secured Obligations are, in part, a revolving line of credit facility and the unpaid balance may decrease or increase from time to time and may from time to time be reduced to zero without resulting in a release, satisfaction or reconveyance of this Security Instrument.

1.2 Future Advances. The Agent and/or the Secured Creditors may advance or loan additional sums (herein "Future Advances") to the Grantor. This Security Instrument shall secure not only existing indebtedness, but also such Future Advances, with interest thereon as provided in the Secured Credit Document, whether such advances are obligatory or to be made at

the option of the Agent, the Secured Creditors or otherwise, to the same extent as if such Future Advances were made on the date of execution of this Security Instrument.

ARTICLE II

Grantor's Covenants, Representations and Agreements

2.1 Title to Premises. The Grantor represents and warrants to the Agent that (i) it is the fee simple owner of the Land and is the owner of the balance of the Premises and has the right to convey the same, (ii) that as of the date hereof title to the Premises is free and clear of all liens, encumbrances and other matters except for liens, encumbrances and other matters (a) shown on the title insurance policy, if any, accepted by the Agent in connection with this Security Instrument or (b) as are expressly permitted by the Secured Credit Documents (collectively, the "Permitted Encumbrances"). The Grantor shall warrant and defend the title to the Premises except for the Permitted Encumbrances against the claims of all Persons.

2.2 Taxes and Other Charges. The Grantor will pay prior to delinquency all taxes, general and special assessments, insurance premiums, all other charges which are or may become a lien against the Premises, and all material permit fees, inspection fees, license fees, water and sewer charges, franchise fees and equipment rents and any other charges or fees against it or the Premises (and the Grantor, upon request by the Agent, will submit to the Agent receipts evidencing said payments).

2.3 Reimbursement. The Grantor agrees that if it shall fail to pay on or before the date that the same become delinquent any tax, assessment or charge levied or assessed against the Premises or any utility charge, whether public or private, or any insurance premium or if it shall fail to procure the insurance coverage and the delivery of the insurance certificates required hereunder, or if it shall fail to pay any other charge or fee described herein, then the Agent, at its option, may pay or procure the same and will give the Grantor prompt notice of any such expenditures. The Grantor will reimburse the Agent upon demand for any sums of money paid by the Agent pursuant to this Section, together with interest on each such payment at the applicable default rate of interest set forth in the Secured Credit Document, and all such sums and interest thereon shall be secured hereby.

2.4 Additional Documents; Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by the Agent, the Grantor will make, execute and deliver or cause to be made, executed and delivered, to the Agent and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be rerecorded and/or refiled at such time and in such offices and places as shall reasonably be deemed desirable by the Agent any and all such other and further trust deeds, mortgages, instruments of further assurance, certificates and other documents as may, in the reasonable opinion of the Agent, be necessary or desirable in order to effectuate, complete, maintain, enlarge, or perfect, or to continue and preserve the obligations of the Grantor under the Secured Credit Documents and all other documents evidencing, securing or relating to the transactions contemplated thereby (collectively, the "Other Credit Documents") and this Security Instrument, and the liens and

security interests of this Security Instrument as a first and prior lien upon all of the Premises, whether now owned or hereafter acquired by the Grantor, except to the extent such after acquired property constitutes Specific Excluded Collateral. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Premises or any part thereof. The Grantor hereby authorizes the Agent to prepare and file such financing statements, fixture filings, renewals or continuations thereof, amendments and supplements thereto and other instruments as the Agent may from time to time deem necessary or appropriate in order to perfect and maintain the security interests granted in the Secured Credit Documents and the documents executed in connection therewith in accordance with the Uniform Commercial Code. The Grantor hereby irrevocably makes, constitutes and appoints the Agent as the true and lawful attorney of the Grantor to take any or all of the foregoing actions in the name of the Grantor.

2.5 Sale, Transfer or Encumbrance. Except as permitted in the Secured Credit Documents, the Grantor will not sell, transfer, convey, mortgage, encumber or otherwise dispose of the Premises, the Rents and Profits or the Intangible Personalty or any part thereof or any interest therein or engage in subordinate financing with respect thereto during the term of this Security Instrument without the prior written consent of the Agent. Except as permitted by the Secured Credit Documents, the Grantor will not sell, transfer, convey, mortgage, encumber or otherwise dispose of any of the Tangible Personalty except to incorporate such into the Improvements or replace such with goods of quality and value at least equal to that replaced. In the event the Grantor sells or otherwise disposes of any of the Tangible Personalty in contravention of the foregoing sentence, the Agent's security interest in the proceeds of the Tangible Personalty shall continue pursuant to this Security Instrument.

2.6 Fees and Expenses. The Grantor will promptly pay upon demand any and all reasonable costs and expenses of the Agent and the Trustee, (a) as required under the Secured Credit Documents and (b) as necessary to protect the Premises, the Rents and Profits or the Intangible Personalty or to exercise any rights or remedies under this Security Instrument or with respect to the Premises, Rents and Profits or the Intangible Personalty. All of the foregoing costs and expenses shall be Secured Obligations.

2.7 Leases and Other Agreements. The Grantor shall faithfully keep and perform, or cause to be kept and performed, in all material respects, all of the covenants, conditions, and agreements contained in each of the Leases and other material agreements or contracts affecting all or any portion of the Premises, now or hereafter existing, on the part of the Grantor to be kept and performed and shall at all times use commercially reasonable efforts to enforce, with respect to each other party thereto, all obligations, covenants and agreements by such other party to be performed thereunder.

2.8 Maintenance of Premises. The Grantor will abstain from and will not permit the commission of waste in or about the Premises and will maintain, or cause to be maintained (subject to reconstruction periods after the occurrence of an act of God), the Premises in good condition and repair, reasonable wear and tear excepted.

2.9 Insurance; Casualty. The Grantor shall maintain such insurance coverage and policies for the Premises required in the Secured Credit Documents and, if any part of the Improvements is located in an area having "special flood hazards" as defined in the Federal Flood Disaster Protection Act of 1973, the Grantor shall maintain a flood insurance policy naming the Agent as mortgagee in such amount, covering such risks and liabilities and with such deductibles or self-insurance retentions as are in accordance with normal industry practice. The Grantor assigns to the Agent all proceeds to which the Grantor may be entitled under such insurance policies and such proceeds shall be applied to the Secured Obligations or disbursed in accordance with the terms of the Secured Credit Documents.

2.10 Eminent Domain. The Grantor assigns to the Agent any proceeds or awards which may become due by reason of any condemnation or other taking for public use of the whole or any part of the Premises or any rights appurtenant thereto to which the Grantor is entitled and such proceeds or awards shall be applied to the Secured Obligations or disbursed in accordance with the terms of the Secured Credit Documents. The Grantor agrees to execute such further assignments and agreements as may be reasonably required by the Agent to assure the effectiveness of this Section. In the event any Governmental Authority shall require or commence any proceedings for the demolition of any buildings or structures comprising a part of the Premises, or shall commence any proceedings to condemn or otherwise take pursuant to the power of eminent domain a material portion of the Premises, the Grantor shall promptly notify the Agent of such requirement or commencement of proceedings (for demolition, condemnation or other taking). There is no proceeding pending for the total or partial condemnation of the Premises.

2.11 Releases and Waivers. The Grantor agrees that no release by the Agent or the Trustee of any portion of the Premises, the Rents and Profits or the Intangible Personalty, no subordination of any lien, no forbearance on the part of the Secured Creditors or the Agent to collect on the Secured Obligations, or any part thereof, no waiver of any right granted or remedy available to the Agent or the Trustee and no action taken or not taken by the Agent or the Trustee shall in any way have the effect of releasing the Grantor from full responsibility to the Secured Creditors and the Agent for the complete discharge of each and every of the Grantor's obligations hereunder.

2.12 Authorizations; Restrictions. All material certifications, permits, licenses, authorizations, orders, exemptions, franchises and/or approvals, including, without limitation, certificates of completion and occupancy, licenses, permits required in order to use, occupy or operate all or any portion of the Premises for its current purpose (the "Authorizations") have been obtained and are in full force and effect. Except to the extent permitted by the Secured Credit Documents, the Grantor will not amend, supplement, cancel, surrender, allow to expire (other than expiration of the term thereof), terminate, release or waive any Authorization or any material provision thereof without the prior written consent of the Agent. Except to the extent permitted by the Secured Credit Documents, the Grantor will not initiate, join in, or consent to any material change in the current use of the Premises or in any zoning ordinance, private restrictive covenant, assessment proceedings or other public or private restriction limiting or restricting the uses that may be made of the Premises or any part thereof or any operations thereon without the prior written consent of the Agent.

2.13 Assignment of Leases and Grantor Collection of Rents and Profits.

(a) The Grantor hereby authorizes and directs any lessees or tenants of the Premises that, upon written notice from the Agent, all Rents and Profits and all payments required under the Leases, or in any way respecting same, shall be made directly to the Agent as they become due. The Grantor hereby relieves said lessees and tenants from any liability to the Grantor by reason of said payments being made to the Agent. Nevertheless, until the Agent notifies in writing said lessees and tenants to make such payments to the Agent, the Grantor shall be entitled to collect all such Rents and Profits and/or payments. The Agent is hereby authorized to give such notification upon the occurrence of any Event of Default and to maintain it in effect during the continuance thereof.

(b) Any and all Rents and Profits collected by the Agent may be applied in the manner set forth in the Secured Credit Documents. Receipt by the Agent of such Rents and Profits shall not constitute a waiver of any right that the Agent may enjoy under this Security Instrument, the Secured Credit Documents or under the laws of the state in which the Premises is located, nor shall the receipt and application thereof cure any default hereunder nor affect any foreclosure proceeding or any sale authorized by this Security Instrument, the Secured Credit Documents and the laws of the state in which the Premises is located, except to the extent that the amount so applied is sufficient to cure such default in full and all other conditions to the cure of such default set forth herein or in the Secured Credit Documents have been fully satisfied.

(c) The Agent does not consent to, does not assume and shall not be liable for any obligation of the lessor under any of the Leases and all such obligations shall continue to rest upon the Grantor as though this assignment had not been made. The Agent shall not be liable for the failure or inability to collect any Rents and Profits.

2.14 Compliance with Law. The Grantor will comply in all material respects with all applicable statutes, regulations and orders of, and all applicable restrictions imposed by, all governmental authorities in respect of the ownership of all or any portion of the Premises (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls).

2.15 Inspection. The Grantor will permit the Agent, or its agents, at all reasonable times and with reasonable prior notice to enter and pass through or over the Premises for the purpose of inspecting same.

2.16 Security Agreement. This Security Instrument shall be construed as a security agreement under the Uniform Commercial Code with respect to the security interests granted herein. The Grantor warrants that the name and address of the "Debtor" (which is the Grantor), are as set forth in the introductory paragraph of this Security Instrument; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove. The Grantor's organizational identification number is 065300-18. The Grantor warrants that the Grantor's

exact legal name is correctly set forth in the preamble of this Security Instrument. The Grantor will not, without providing thirty (30) days prior written notice to the Agent and without filing such amendments to any previously filed financing statements as the Agent may require, change its registered legal name, be party to a merger, consolidation or other change in structure or use any trade name other than the trade names set forth for the Grantor in the Security Agreement, or take any other action which would necessitate the amendment, correction or re-filing of any financing statement.

2.17 Timber.

(a) Provided no Event of Default exists, the Grantor may harvest Timber in the ordinary course of the Grantor's business consistent with sound forestry practices. The Grantor and all Persons other than the Grantor with rights in the Timber will manage all Timber and conduct all harvesting operations on the Land in accordance with generally accepted sound forestry practices and procedures and shall use reasonable care to avoid unnecessary damage to remaining Timber on the Land.

(b) The Grantor will comply with and observe in all material respects its obligations, if any, under all agreements, contracts, arrangements or other contractual obligations now or hereafter (i) granting to another Person the right to cut, harvest or otherwise remove Timber from all or any portion of the Premises for the use and benefit of Persons other than the Grantor, including but not limited to stumpage agreements and severance agreements, (ii) obligating the Grantor to cut, harvest or otherwise remove Timber harvested from all or any portion of the Premises and to sell, exchange or deliver such Timber to Persons other than the Grantor, and (iii) otherwise relating to all or any portion of the Timber or the timber operations conducted on the Land (collectively, the "Timber Contracts"). If requested by the Agent, the Grantor will furnish the Agent with executed copies of all Timber Contracts now or hereafter created with respect to all or any part of the Premises. If requested by the Agent, the Grantor will separately assign to the Agent as additional security any and all Timber Contracts whether now existing or hereafter created and all Rents and Profits from time to time accruing therefrom. The Grantor may enter into Timber Contracts without obtaining the consent of the Agent provided: (i) such agreements do not materially affect the value, use or operation of all or any material portion of the Premises or constitute a Material Adverse Effect individually or in the aggregate and are in the ordinary course of the Grantor's business for fair market consideration with unaffiliated third parties, and (ii) the Grantor provides the Agent with a copy of such agreements.

ARTICLE III

Event of Default

An event of default ("Event of Default") shall exist under the terms of this Security Instrument upon the occurrence and during the continuance of an "Event of Default" as defined in the Intercreditor Agreement.

ARTICLE IV

Acceleration; Foreclosure

4.1 Acceleration of Secured Obligations. Upon the occurrence and during the continuance of an Event of Default, the entire balance of all or any portion of the Secured Obligations, including all accrued interest, shall, at the option of the Agent, become immediately due and payable.

4.2 Foreclosure. Upon the occurrence and during the continuance of an Event of Default, the Agent may foreclose or cause the Trustee to foreclose the lien of this Security Instrument by judicial or nonjudicial proceeding in a manner permitted by applicable law. To the maximum extent permitted by law, the Grantor hereby waives any statutory right of redemption in connection with such foreclosure proceeding.

4.3 Proceeds of Sale. Following a foreclosure sale, the proceeds of such sale shall, subject to applicable law, be applied in accordance with the Intercreditor Agreement.

4.4 Delivery of Possession After Foreclosure. In the event there is a foreclosure sale hereunder and at the time of such sale, the Grantor or the Grantor's heirs, devisees, representatives, successors or assigns are occupying or using the Premises, or any part thereof, each and all immediately shall become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the property occupied, such rental to be due daily to the purchaser; and the purchaser at such sale, notwithstanding any language herein apparently to the contrary, shall, to the maximum extent permitted by law, have the sole option to demand possession immediately following the sale or to permit the occupants to remain as tenants at will. In the event the tenant fails to surrender possession of said property upon demand, the purchaser shall be entitled to institute and maintain a summary action for possession of the property (such as an action for forcible detainer) in any court having jurisdiction.

ARTICLE V

Additional Rights and Remedies of Agent

5.1 Rights Upon Maturity or an Event of Default. Upon the occurrence and during the continuance of an Event of Default, the Agent, immediately and without additional notice and without liability therefor to the Grantor and to the extent permitted by law, except for its own gross negligence or willful misconduct, may do or cause to be done any or all of the following: (a) take physical possession of the Premises; (b) exercise its right to collect the Rents and Profits; (c) enter into contracts for the completion, repair and maintenance of the Improvements thereon; (d) expend any income or Rents and Profits derived from the Premises for payment of any taxes, insurance premiums, assessments and charges for completion, repair and maintenance of the Improvements, preservation of the lien of this Security Instrument and satisfaction and fulfillment of any liabilities or obligations of the Grantor arising out of or in any way connected with the construction of Improvements on the Premises whether or not such liabilities and

obligations in any way affect, or may affect, the lien of this Security Instrument; (e) enter into leases demising the Premises or any part thereof; (f) take such steps to protect and enforce the specific performance of any covenant, condition or agreement in this Security Instrument, the Secured Credit Documents, or the Other Credit Documents, or to aid the execution of any power herein granted; (g) generally, supervise, manage, and contract with reference to the Premises as if the Agent were equitable owner of the Premises; (h) seek the appointment of a receiver as provided in Section 5.2 below; (i) exercise any or all of the remedies available to a secured party under the Uniform Commercial Code, including, but not limited to, selling, leasing or otherwise disposing of any fixtures, timber to be cut (of any size, any age and any species, whether or not merchantable) and personal property which is encumbered hereby at public sale, with or without having such fixtures, timber to be cut (of any size, any age and any species, whether or not merchantable) or personal property at the place of sale, and upon such terms and in such manner as the Agent may determine; (j) exercise any or all of the remedies of a secured party under the Uniform Commercial Code with respect to the Tangible Personalty and Intangible Personalty; and (k) enforce any or all of the assignments or collateral assignments made in this Security Instrument as additional security for the Secured Obligations. The Grantor also agrees that any of the foregoing rights and remedies of the Agent may be exercised at any time independently of the exercise of any other such rights and remedies, and the Agent may continue to exercise any or all such rights and remedies until the Event(s) of Default are cured or waived with the consent of the Secured Creditors or until foreclosure and the conveyance of the Premises or until the Secured Obligations are satisfied or paid in full and all Commitments (as defined in the Credit Agreement) are terminated.

5.2 Appointment of Receiver. If any of the Secured Obligations are not paid upon maturity or upon the occurrence and continuance of an Event of Default, the Agent as a matter of right shall be entitled to the appointment of a receiver or receivers for all or any part of the Premises, to take possession of and to operate the Premises, and to collect the rents, issues, profits, and income thereof, all expenses of which shall become Secured Obligations, whether such receivership be incident to a proposed sale (or sales) of such property or otherwise, and without regard to the value of the Premises or the solvency of any Person or Persons liable for the payment of any Secured Obligations, and the Grantor does hereby irrevocably consent to the appointment of such receiver or receivers, waives any and all defenses to such appointment, and agrees not to oppose any application therefor by the Agent. Nothing herein is to be construed to deprive the Agent of any other right, remedy or privilege it may have under the law to have a receiver appointed. Any money advanced by the Agent in connection with any such receivership shall be a demand obligation (which obligation the Grantor hereby promises to pay) owing by the Grantor to the Agent pursuant to this Security Instrument.

5.3 Waivers. No waiver of any Event of Default shall at any time thereafter be held to be a waiver of any rights of the Agent stated anywhere in this Security Instrument, the Secured Credit Documents or any of the Other Credit Documents, except in respect of such Event of Default, nor shall any waiver of a prior Event of Default operate to waive any subsequent Event(s) of Default. All remedies provided in this Security Instrument, in the Secured Credit Documents and in the Other Credit Documents are cumulative and may, at the election of the Agent, be exercised alternatively, successively, or in any manner and are in addition to any other rights provided by law.

5.4 Marshalling. The Grantor hereby waives, in the event of foreclosure of this Security Instrument or the enforcement by the Agent of any other rights and remedies hereunder, any right otherwise available in respect to marshalling of assets which secure any Secured Obligations and any other indebtedness secured hereby or to require the Agent to pursue its remedies against any other such assets.

5.5 Protection of Premises. If the Grantor fails to perform the covenants and agreements contained in this Security Instrument, the Secured Credit Documents or any of the Other Credit Documents, and such failure continues beyond any applicable grace, notice and cure periods, except in the case of an emergency in which event the Agent may act immediately, then the Agent may take such actions, including, but not limited to, disbursements of such sums, as the Agent in its sole reasonable discretion deems necessary to protect the Agent's interest in the Premises.

ARTICLE VI

General Conditions

6.1 Terms. The singular used herein shall be deemed to include the plural; the masculine deemed to include the feminine and neuter; and the named parties deemed to include their heirs, successors and assigns. The term "Secured Creditor" shall include any Person which may become a Secured Creditor by way of assignment in accordance with the terms of the Intercreditor Agreement, together with their successors and permitted assigns. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in the Credit Agreement.

6.2 Notices. Subject to the requirements of applicable law, all notices and other communications required or permitted to be given hereunder shall be given in accordance with the requirement of the Secured Credit Documents. All notices or other communications to the Trustee hereunder shall be given in accordance with the requirements of the Secured Credit Documents to:

Chicago Title Insurance Company of Oregon
1211 SW Fifth Avenue, Suite 2130
Portland, Oregon 97204
Telephone: (503) 973-7412
Telecopy: (503) 248-0324

6.3 Severability. If any provision of this Security Instrument is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

6.4 Headings. The captions and headings herein are inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope of this Security Instrument nor the intent of any provision hereof.

6.5 Conflicting Terms. In the event the terms and conditions of this Security Instrument conflict with the terms and conditions of the Secured Credit Documents, the terms and conditions of the Secured Credit Documents shall control and supersede the provisions of this Security Instrument with respect to such conflicts.

6.6 Governing Law. This Security Instrument shall be governed by and construed in accordance with the internal law of the state where the Premises is located.

6.7 Substitution of Trustee. If, for any reason, with or without cause, the Agent shall elect to substitute a Trustee for the trustee herein named (or for any successor to said trustee), the Agent shall have the right to appoint successor Trustee(s), which appointment may be effected without conveyance of the Premises and, except where required by applicable law, without the need to execute or record any instrument evidencing such appointment. Each new Trustee shall immediately upon such appointment become successor in title to the Premises for the uses and purposes of this Security Instrument, without conveyance of the Premises, with all the powers, duties and obligations conferred on the Trustee in the same manner and to the same effect as though named herein as the Trustee. If more than one Trustee has been appointed, each of such Trustees and each successor thereto shall be and hereby is empowered to act independently.

6.8 WRITTEN AGREEMENT.

(a) THE RIGHTS AND OBLIGATIONS OF THE GRANTOR AND THE AGENT SHALL BE DETERMINED SOLELY FROM THIS WRITTEN SECURITY INSTRUMENT AND THE OTHER CREDIT DOCUMENTS, AND ANY PRIOR ORAL OR WRITTEN AGREEMENTS BETWEEN THE AGENT AND THE GRANTOR CONCERNING THE SUBJECT MATTER HEREOF AND OF THE SECURED CREDIT DOCUMENTS AND THE OTHER CREDIT DOCUMENTS ARE SUPERSEDED BY AND MERGED INTO THIS SECURITY INSTRUMENT, THE SECURED CREDIT DOCUMENTS AND THE OTHER CREDIT DOCUMENTS.

(b) THIS SECURITY INSTRUMENT, THE SECURED CREDIT DOCUMENTS AND THE OTHER CREDIT DOCUMENTS MAY NOT BE VARIED BY ANY ORAL AGREEMENTS OR DISCUSSIONS THAT OCCUR BEFORE, CONTEMPORANEOUSLY WITH, OR SUBSEQUENT TO THE EXECUTION OF THIS SECURITY INSTRUMENT, THE SECURED CREDIT DOCUMENTS OR THE OTHER CREDIT DOCUMENTS.

(c) THIS WRITTEN SECURITY INSTRUMENT, THE SECURED CREDIT DOCUMENTS AND THE OTHER CREDIT DOCUMENTS REPRESENT THE FINAL AGREEMENTS BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

6.9 WAIVER OF JURY TRIAL. THE AGENT AND THE GRANTOR HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS SECURITY INSTRUMENT. THIS WAIVER IS KNOWINGLY, INTENTIONALLY, AND VOLUNTARILY MADE BY THE AGENT AND THE GRANTOR, AND THE AGENT AND THE GRANTOR ACKNOWLEDGE THAT NO PERSON ACTING ON BEHALF OF ANOTHER PARTY TO THIS AGREEMENT HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR IN ANY WAY TO MODIFY OR NULLIFY ITS EFFECT. THE AGENT AND THE GRANTOR FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED (OR HAVE HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS SECURITY INSTRUMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL, SELECTED OF THEIR OWN FREE WILL, AND THAT THEY HAVE HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.

6.10 State Specific Provisions. In the event of any inconsistencies between this Section and any of the other terms and provisions of this Security Instrument, the terms and provisions of this Section shall control and be binding.

(a) The Agent may foreclose this Security Instrument like a mortgage and obtain a decree foreclosing the Grantor's interest in all or any part of the Premises. The Agent may also direct the Trustee, and the Trustee shall be empowered, to foreclose the Premises by advertisement and exercise of sale under applicable law. Should the Agent elect to foreclose by exercise of the power of sale herein contained, the Agent shall notify the Trustee and request that the Trustee commence such proceedings.

(i) Upon receipt of such notice from the Agent, the Trustee shall cause to be recorded, published and delivered to the Grantor and served on occupant such Notice of Default and Election to Sell as shall then be required by law and by this Security Instrument. The Trustee shall, without demand on the Grantor, after lapse of such time as may then be required by law and after recordation of such Notice of Default and after Notice of Sale having been given as required by law, sell the Premises at the time and place of sale fixed by the Trustee in said Notice of Sale, either as a whole, or in separate lots or parcels or items as the Trustee shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States payable at the time of sale. The Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the Premises so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof in favor of a purchaser for value in good faith relying on them. Any person, including the Grantor or the Agent but excluding the Trustee, may purchase at such sale and the Grantor hereby covenants to warrant and defend the title of such purchaser or purchasers. In addition, the Agent may credit bid at any such sale an amount up to and

including the full amount of the Secured Obligations, including, without limitation, accrued and unpaid interest, principal, charges, advances made hereunder and the Trustee's fees and expenses.

(ii) After deducting all costs, fees and expenses of the Trustee and of this Security Instrument, including costs of evidence of title in connection with sale, the Trustee shall apply the proceeds of sale in accordance with the provisions of ORS 86.765 and otherwise in accordance with the provisions of the Intercreditor Agreement.

(iii) The Trustee may postpone sale of all or any portion of the Premises by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement, or may, in its discretion, give a new notice of sale; provided, however, any such postponement may be only for one or more periods totaling not more than 180 days from the original sale date.

(b) The Agent may proceed in any sequence to exercise its rights hereunder with respect to all or any portion of the Premises.

(c) Should the Agent elect to cause any of the Premises which is subject to the Uniform Commercial Code as adopted in Oregon to be disposed of, it may dispose of any part thereof in any manner now or hereafter permitted by the Uniform Commercial Code as adopted in Oregon, or in accordance with any other remedy provided by applicable law. Any such disposition may be conducted by an employee or agent of the Agent or the Trustee. Any person, including both the Grantor and the Agent, shall be eligible to purchase any part or all of such Premises at such disposition. Any such disposition may be either by public or private sale as the Agent may elect, subject to the provisions of applicable law. The Agent shall also have the rights and remedies of a secured party under the Uniform Commercial Code as adopted in Oregon, or otherwise available at law or in equity. In furtherance of the foregoing, it is agreed that the expenses of retaking, holding, preparing for sale, selling or the like shall be borne by the Grantor and shall include the Agent's and the Trustee's reasonable attorneys' fees and legal expenses. The Grantor, upon demand of the Agent, shall assemble such Premises and make it available to the Agent at the Land, a place which is hereby deemed to be reasonably convenient to the Agent and the Grantor. The Agent shall give the Grantor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of such personalty or of the time of or after which any private sale or other intended disposition is to be made, and if such notice is sent to the Grantor, in the same manner as provided for the mailing of notices herein, it is hereby deemed that such notice shall be and is reasonable notice to the Grantor.

(d) This Security Instrument constitutes a financing statement filed as a fixture filing pursuant to the provisions of ORS 79.0502, with respect to those portions of the Premises consisting of goods which are or are to become fixtures relating to the

Premises or consisting of timber to be cut (of any size, any age and any species, whether or not merchantable). The Grantor grants to the Agent a security interest in all Premises existing and future goods which are now or in the future become fixtures relating to the Premises and timber to be cut (of any size, any age and any species, whether or not merchantable) and proceeds thereof. The Grantor covenants and agrees that the filing of this Security Instrument in the real estate records of the county where the Land is located shall also operate from the date of such filing as a fixture filing and as a financing statement covering timber to be cut (of any size, any age and any species, whether or not merchantable) in accordance with ORS 79.0502. Without the prior written consent of the Agent, the Grantor shall not create or suffer to be created pursuant to the Uniform Commercial Code as adopted in Oregon, any other security interest in such items, including replacements and additions thereto, other than as permitted pursuant to the terms of the Secured Credit Documents or the Other Credit Documents.

(e) The Grantor waives to the extent permitted by law, (i) the benefit of all laws now existing or that may hereafter be enacted providing for any appraisal before sale of any portion of the Premises, and (ii) all rights of redemption, valuation, appraisal, stay of execution, notice of election to mature or declare due the whole of the secured indebtedness and marshaling in the event of foreclosure of the liens hereby created.

(f) Section 1445 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), or any comparable Section of the Oregon Revised Statutes, provide that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform the Agent that the withholding of tax will not be required in the event of the disposition of the Premises pursuant to the terms of this Security Instrument, the Grantor hereby certifies, under penalty of perjury, that:

(i) The Grantor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder;

(ii) The Grantor's U.S. employer identification number is as follows: 065300-18; and

(iii) The Grantor's principal place of business is 401 Harbor Isles Blvd., Klamath Falls, Oregon 97601.

It is understood that the Agent may disclose the contents of this certification to the Internal Revenue Service and the Oregon taxing authority and that any false statement contained herein could be punished by fine, imprisonment or both. The Grantor covenants and agrees to execute such further certificates, which shall be signed under penalty of perjury, as the Agent shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Security Instrument or acceptance of a deed in lieu thereof.

(g) If, for any reason, the Agent shall elect to substitute for the Trustee herein named (or for any successor to said Trustee), without limiting the Agent's right to use any other procedure authorized or permitted by applicable law, the Agent shall have the right to appoint successor Trustee(s) by duly acknowledged written instruments, and each such successor Trustee, immediately upon recordation of an instrument so appointing said successor Trustee, shall become successor in title to the Premises for the uses and purposes of this Security Instrument, with all the powers, duties and obligations conferred on the Trustee in the same manner and to the same effect as though said successor Trustee were named herein as the Trustee. If more than one Trustee has been appointed, each of such Trustees and each successor thereto shall be, and hereby is, empowered to act independently.

(h) WRITTEN AGREEMENTS. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US (SECURED CREDITORS) CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES, OR SECURED SOLELY BY GRANTOR'S RESIDENCE, MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.

(i) INSURANCE. UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THE SECURED CREDIT DOCUMENTS, WE MAY PURCHASE INSURANCE AT YOUR EXPENSE TO PROTECT OUR INTEREST. THIS INSURANCE MAY, BUT NEED NOT, ALSO PROTECT YOUR INTEREST. IF THE COLLATERAL BECOMES DAMAGED, THE COVERAGE WE PURCHASE MAY NOT PAY ANY CLAIM YOU MAKE OR ANY CLAIM MADE AGAINST YOU. YOU MAY LATER CANCEL THIS COVERAGE BY PROVIDING EVIDENCE THAT YOU HAVE OBTAINED PROPERTY COVERAGE ELSEWHERE.

YOU ARE RESPONSIBLE FOR THE COST OF ANY INSURANCE PURCHASED BY US. THE COST OF THIS INSURANCE MAY BE ADDED TO YOUR LOAN BALANCE. IF THE COST IS ADDED TO YOUR LOAN BALANCE, THE INTEREST RATE ON THE UNDERLYING LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF COVERAGE MAY BE THE DATE YOUR PRIOR COVERAGE LAPSED OR THE DATE YOU FAILED TO PROVIDE PROOF OF COVERAGE.

THE COVERAGE WE PURCHASE MAY BE CONSIDERABLY MORE EXPENSIVE THAN INSURANCE YOU CAN OBTAIN ON YOUR OWN AND MAY NOT SATISFY ANY NEED FOR PROPERTY DAMAGE COVERAGE OR ANY MANDATORY LIABILITY INSURANCE REQUIREMENTS IMPOSED BY APPLICABLE LAW.

(j) PROPERTY USE. 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.

(k) Request for Notice. The Grantor requests a copy of any statutory notice of default and a copy of any statutory notice of sale hereunder be mailed to the Grantor in accordance with Section 6.2 of this Security Instrument.

(l) Not Residential Trust Deed. The Grantor warrants that this Security Instrument is not and will at all times continue not to be a residential trust deed (as that term is defined in ORS 86.705(3)).

(m) Attorneys' Fees. In the event suit or action is instituted to enforce any of the terms of this Security Instrument, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal, on any petition for review, in an arbitration proceeding, and in any bankruptcy proceeding in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by the Agent that are necessary at any time in the Agent's opinion for the protection of its interest or the enforcement of its rights shall become a part of the obligations payable on demand and shall bear interest from the date of expenditure until repaid at the applicable rate of interest provided in the Secured Credit Documents. Expenses covered by this section include (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions, title insurance, and fees for the Trustee.

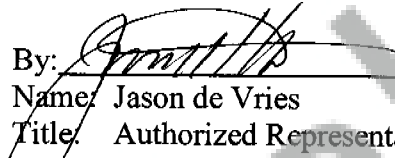
PROVIDED ALWAYS, and it is the true intent and meaning of the Grantor and the Agent, that if the Grantor, or its successors and assigns, shall pay or cause to be paid and discharged unto the Agent, its successors and assigns, the Secured Obligations according to the terms of this Security Instrument, the Secured Credit Documents and the Other Credit Documents and all Commitments are terminated, then this Security Instrument shall cease, determine and be void, otherwise it shall remain in full force and virtue. And it is agreed, by and between the Grantor and the Agent, that the Grantor is to hold and enjoy the said Premises until the occurrence of an Event of Default.

[SIGNATURES ON THE NEXT PAGE]

IN WITNESS WHEREOF, the Grantor has executed this Security Instrument under seal as of the above written date.

GRANTOR:

JELD-WEN, inc., an Oregon corporation

By: 
Name: Jason de Vries
Title: Authorized Representative

Unofficial Copy

STATE OF OREGON)
):SS.:
COUNTY OF KLAMATH)

On this 11th day of November, 2010, before me, the undersigned, a Notary Public in and for the State of Oregon, duly commissioned and sworn, personally appeared Jason de Vries, to me known to be the Authorized Representative of JELD-WEN, inc., an Oregon corporation, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute said instrument.

IN WITNESS WHEREOF, I hereunto set my hand and affixed my official seal, the day and year first above written.

My Commission expires: 4/1/2013

Susan E. Weiskopf

Sue Weiskopf, Notary Public in and for the
State of Oregon

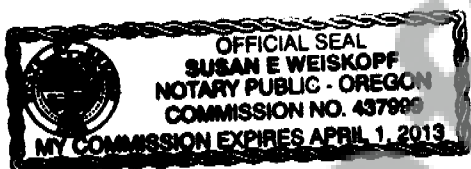


EXHIBIT A

Legal Description

Parcel 1:

Lot 13 and Lot 74, Tract 1472-RIDGEWATER SUBDIVISION, PHASE 1, recorded in the office of the County Recorder in Klamath County, Oregon.

Parcel 2:

A tract of land situated in the SW1/4 of Section 34, Township 36 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, and the NW1/4 of Section 3, Township 37 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin on the Northwesterly right of way line of the County Road to Eagle Ridge, as established by found center line hubs, from which the West 1/4 corner of said Section 3 bears South 51° 41' 42" West 3152.04 feet; thence North 21° 0' 01" 06" West 1523.29 feet to a 5/8 inch iron pin; thence North 81° 0' 59' 35" West 601.47 feet, to a 5/8 inch iron pin; thence North 08° 00' 25" East 504.82 feet, to a 5/8 inch iron pin; thence North 11° 16' 48" West 394.49 feet, to a 5/8 inch iron pin; thence North 12° 00' 51" East 185.12, to a 5/8 inch iron pin; thence North 20° 12' 08" East 296.83 feet to a 5/8 inch iron pin; thence North 16° 13' 00" East 514 feet, more or less to a point on the North line of said SW1/4 of Section 34; thence Easterly along said North line, 946 feet, more or less to a point that is 60 feet Westerly of the center 1/4 corner of said Section 34; thence Southerly parallel to and 60 feet from the North South center section line of said Section 34, 2596 feet, more or less, to a point on the Section line common to said Sections 34 and 3; thence Southerly parallel to and 60 feet from the North South center section line of said Section 3, 670 feet, more or less, to a point on the Northwesterly right of way line of the said County Road to Eagle Ridge; thence South 59° 44' 32" West 100.00 feet, more or less to the point of beginning, with bearings based on a solar observation. Reference above described tract of land to recorded Survey No. 2744, as recorded in the office of the Klamath County Surveyor.