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Klamath County, Oregon



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SECOND LIEN LINE OF CREDIT LEASEHOLD TRUST DEED,
ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING

STATE OF OREGON

COUNTY OF KLAMATH

MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE
INDENTURE IS \$460,000,000.

THE MATURITY DATE OF THE INDENTURE, EXCLUSIVE OF ANY OPTION TO
RENEW OR EXTEND SUCH MATURITY DATE, IS OCTOBER 15, 2017.

THE MAXIMUM PRINCIPAL AMOUNT TO BE ADVANCED PURSUANT TO THE
INDENTURE 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, IS EFFECTIVE AS A FINANCING STATEMENT FILED AS
A FIXTURE FILING IN ACCORDANCE WITH ORS 79.0502 AND IS TO BE FILED IN
THE REAL ESTATE RECORDS.

THIS SECOND LIEN LINE OF CREDIT LEASEHOLD TRUST DEED,
ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE
FILING (this "Security Instrument") is made and entered into as of October 3, 2011 (the
"Escrow Release Date"), by and between JELD-WEN, inc., an Oregon corporation, whose
address is 401 Harbor Isles Blvd., Klamath Falls, Oregon 97601 (the "Grantor" or the
"Company"), 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 (together
with its successors and assigns in such capacity, the "Agent" or the "Collateral Agent") for the
benefit of the Secured Parties (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).

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RECITALS

A. Pursuant to (i) that certain Purchase Agreement dated prior to the date hereof (as amended, restated, supplemented or otherwise modified from time to time including pursuant to the Joinder Agreement (as defined below), the "Purchase Agreement") among JELD-WEN Escrow Corporation, Inc., an Oregon corporation (the "Escrow Issuer") and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as representative of the Initial Purchasers (as defined therein), (ii) that certain Joinder Agreement dated as of the Escrow Release Date (as amended, restated, supplemented or otherwise modified from time to time, the "Joinder Agreement"), pursuant to which the Company and the guarantors party thereto (the "Guarantors") will become a party to the Purchase Agreement, (iii) that certain Indenture (as amended, restated, supplemented or otherwise modified from time to time including pursuant to the Supplemental Indenture (as defined below), the "Indenture"), dated as of even date herewith (the "Escrow Closing Date"), among the Escrow Issuer, Wells Fargo Bank, National Association, in its capacity as trustee (the "Indenture Trustee") and the Collateral Agent for the benefit of the Indenture Trustee and the holders of the Notes (as defined below), (iv) that certain Escrow Agreement dated as of the Escrow Closing Date among the Escrow Issuer, the Company, the Indenture Trustee and Wells Fargo Bank, National Association, in its capacity as escrow agent (the "Escrow Agreement") and (v) that certain Supplemental Indenture (as amended, restated, supplemented or otherwise modified from time to time, the "Supplemental Indenture"), dated as of the Escrow Release Date, among the Company, the Guarantors and the Indenture Trustee, the Escrow Issuer has issued \$460.0 million aggregate principal amount of its Senior Secured Second Lien Notes due 2017 (the "Notes"), the gross proceeds of which have been deposited into an escrow account pursuant to the terms of the Escrow Agreement and, as a condition to the release of such gross proceeds from escrow in accordance with the terms of the Escrow Agreement (the "Escrow Release"), the Escrow Issuer has merged with and into the Company, with the Company assuming all of the rights and obligations of the Escrow Issuer under the Notes and the Indenture, and the Guarantors have guaranteed all obligations of the Company under the Notes and the Indenture, in each case upon the terms and conditions set forth in the Notes and the Indenture.

B. The Company, Bank of America, N.A., in its capacity as collateral agent (the "First Lien Collateral Agent") for the lenders party to (i) that certain Credit Agreement dated as of September 19, 2011 (as further amended, modified, restated, extended, renewed or replaced from time to time, the "Credit Agreement") and (ii) that certain Amended and Restated Guaranty dated as of July 8, 2009, as amended heretofore and as may be further amended, modified, restated, extended, renewed or replaced from time to time, the Collateral Agent, Bank of America, N.A., in its capacity as control agent (the "Control Agent") for the First Lien Collateral Agent and the Collateral Agent, and the other loan parties signatory thereto have entered into that certain Intercreditor Agreement dated as of the date hereof (as may be amended, modified, restated, extended, renewed or replaced from time to time, the "Intercreditor Agreement"), pursuant to which the parties thereto have agreed upon the relative rights and priorities of the First Lien Claimholders (as defined therein) and the Secured Parties in respect of the Trust Property (as defined below).

C. It is a condition precedent to (i) the Escrow Release, and (ii) the performance of the obligations of the Secured Parties under the Senior Secured Note Documents (as hereinafter defined) that the Company shall have executed and delivered this Security Instrument to the Collateral Agent for the ratable benefit of the Secured Parties.

D. This Security Instrument is given by the Grantor in favor of the Agent for its benefit and the benefit of the Secured Parties to secure the payment and performance of all of the Secured Obligations.

WITNESSETH:

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, 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, for the benefit of the Secured Parties, subject to the terms of the Intercreditor Agreement, 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 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, Improvements, Tangible Personalty and all other property and interests described above and in subsection (c) below, together with all proceeds thereof, being collectively referred to as the "Premises");

(c) the collateral described in (1) below, if and to the extent any of it constitutes real property; and

(d) All of Grantor's right, title and interest in and to that certain Lease dated June 23, 1999 (the "Mortgaged Lease"), pursuant to which the Grantor leases all or a portion of the Premises from the City of Klamath Falls, a political subdivision of the State of Oregon ("Lessor"), a memorandum of which was recorded at Volume M00, Page 38535 of the County Records of Klamath County, Oregon, together with all assignments, modifications, extensions and renewals of the Mortgaged Lease and all credits, deposits, options, privileges and rights of the Grantor as tenant under the Mortgaged Lease, including, but not limited to, rights of first refusal, if any, and the right, if any, to renew or extend the Mortgaged Lease for a succeeding term or terms and the option to purchase, if any, all or any portion of the Premises demised under the Mortgaged Lease.

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, for the benefit of the Secured Parties, subject to the terms of the Intercreditor Agreement, a security interest in, under the Uniform Commercial Code (as hereinafter defined), 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 Property (as hereinafter defined):

(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, 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, subject to the terms of the Intercreditor Agreement, 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, 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 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 Tangible Personalty and the Intangible Personalty. Collectively, the Premises, the Mortgaged Lease, the Rents and Profits, the Leases, the Intangible Personalty and all of the proceeds and interests described above, together with all proceeds thereof, are collectively referred to herein as, the "Trust Property".

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, 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.

1.2 Future Advances. The Agent and/or the Secured Parties may advance or loan additional sums (herein "Future Advances") to the Grantor. This Security Instrument shall secure not only the existing Secured Obligations, but also such Future Advances, with interest thereon as provided in the Indenture, whether such advances are obligatory or to be made at the option of the Agent, the Secured Parties or otherwise, to the same extent as if such Future Advances were made on the date of execution of this Security Instrument.

1.3 Definitions.

(a) Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such term in the Indenture, including the following: "Default"; "Person"; "Security Agreement"; and "Senior Secured Note Documents".

(b) The following terms as used herein shall have the meaning ascribed to such term in the Security Agreement: "Secured Obligations"; "Secured Parties"; and "Specific Excluded Property".

(c) The term "First Lien Security Instrument" as used herein shall mean (i) that certain Line of Credit Leasehold Trust Deed, Assignment of Leases and Rents, Security Agreement and Fixture Filing dated as of July 8, 2009 and recorded in Volume 2009-009513, Microfilm Records of Klamath County, Oregon, as amended and restated by that certain Amended and Restated Line of Credit Leasehold Trust Deed, Assignment of Leases and Rents, Security Agreement and Fixture Filing recorded or to be recorded in the Microfilm Records of Klamath County, Oregon and/or (ii) one or more additional deeds of trust which (x) secure the same obligations as are secured by such amended and restated deed of trust and (y) encumber all or a portion of the Trust Property recorded or to be recorded in the Microfilm Records of Klamath County, Oregon, as any of the foregoing may be further amended, modified, supplemented, extended, renewed or replaced from time to time.

ARTICLE II

Grantor's Covenants, Representations and Agreements

2.1 [Reserved.]

2.2 Title to Premises. The Grantor represents and warrants to the Agent that (i) it is the owner of a leasehold estate in 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 Section 4.12 of the Indenture (collectively, the "Permitted Encumbrances"), and (iii) upon recordation in the official real estate records in the county (or other applicable jurisdiction) in which the Premises are located this Security Instrument will create and constitute a valid and enforceable second priority lien on the Trust Property in favor of the Agent for the benefit of the Secured Parties and, to the extent any of the Trust Property shall consist of fixtures or other personal property, a second priority security interest therein, which second priority lien and second priority security interest are, as of the date hereof, subject only to 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.

2.3 Taxes and Other Charges. Subject to the Grantor's rights to contest the same in accordance with Section 4.5 of the Indenture or any other applicable provision of the Indenture, 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 Trust Property, 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 Trust Property (and the Grantor, upon request by the Agent, will submit to the Agent receipts evidencing said payments). The Grantor shall pay any United States documentary stamp taxes, with interest and fines and penalties, and any recording taxes, with interest and fines and penalties, that may hereafter be levied, imposed or assessed under or upon or by reason hereof or the Secured Obligations or any instrument or transaction affecting or relating to either thereof.

2.4 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 Trust Property 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 rate of interest set forth in the Indenture, and all such sums and interest thereon shall be secured hereby.

2.5 Additional Documents; Further Assurances; After-Acquired Property. At any time, and from time to time, upon request by the Agent, the Grantor will, at the sole cost and expense of Grantor, 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, financing statements, continuation statements, or similar 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 Indenture, the Senior Secured Note Documents, and all other documents evidencing, securing or relating to the transactions contemplated thereby and this Security Instrument, and the liens and security interests of this Security Instrument as a second priority lien upon all of the Trust Property, whether now owned or hereafter acquired by the Grantor, except to the extent such after acquired property constitutes Specific Excluded Property. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the Trust Property or any part thereof. The Grantor hereby authorizes the Agent, at the sole expense of Grantor, 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 Indenture 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.

2.6 Sale, Transfer or Encumbrance. Except as permitted in the Indenture, the Grantor shall not sell, transfer, convey or otherwise dispose of the Trust Property or any part thereof or any interest therein or engage in subordinate financing with respect thereto during the term of this Security Instrument. Except for the Permitted Encumbrances and the lien of this Security Instrument, the Grantor shall not permit to exist or grant any lien, mortgage or encumbrance on all or any part of the Trust Property or suffer or allow any of the foregoing to occur by operation of law or otherwise.

2.7 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 Indenture, this Security Instrument, and the other Senior Secured Note Documents, and (b) as necessary to protect the Trust Property or to exercise any rights or remedies under this Security Instrument or with respect to the Trust Property. All of the foregoing costs and expenses shall be Secured Obligations.

2.8 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.

2.9 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.

2.10 Insurance; Casualty. The Grantor shall maintain such insurance coverage and policies for the Premises required in the Indenture 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 accordance with the terms of Section 4.19 of the Indenture. The Grantor assigns to the Agent as security for the Secured Obligations all proceeds to which the Grantor may be entitled under such insurance policies and all such proceeds shall be applied in accordance with the terms of the Intercreditor Agreement and Section 4.19(c) of the Indenture.

2.11 Eminent Domain. The Grantor assigns to the Agent as security for the Secured Obligations 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 in accordance with the terms of the Intercreditor Agreement and Section 4.19(c) of the Indenture. 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. Grantor represents and warrants that there is no proceeding pending for the total or partial condemnation of the Premises.

2.12 Releases and Waivers. The Grantor agrees that no release by the Agent or the Trustee of any portion of the Trust Property, no subordination of any lien, no forbearance on the part of the Secured Parties 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 Parties and the Agent for the complete discharge of each and every of the Grantor's obligations hereunder.

2.13 Authorizations; Restrictions. The Grantor represents and warrants that 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. The Grantor may amend, supplement, cancel, surrender, allow to expire, terminate, release or waive any Authorization or any material provision thereof without the prior written consent of the Agent, except to the extent doing any of the foregoing would result in a material adverse effect on the ability of the Company and the Guarantors to satisfy their obligations under the Senior Secured Note Documents. Except to the extent permitted by the Indenture, 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 except to the extent doing any of the foregoing would result in a material adverse effect on the ability of the Company and the Guarantors to satisfy their obligations under the Senior Secured Note Documents.

2.14 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 accordance with the terms of the Intercreditor Agreement and Section 6.10 of the Indenture. 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 Indenture 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 Indenture 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 Indenture 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.

2.15 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 Trust Property (including applicable statutes, regulations, orders and restrictions relating to environmental standards and controls).

2.16 Inspection. During such time as a Default or Event of Default exists, the Grantor will permit the Agent, or its agents, at the expense of the Company, to visit and inspect the Premises at such times and as often as may be reasonably requested by the Agent.

2.17 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.

ARTICLE III

Event of Default

An event of default ("Event of Default") shall exist under the terms of this Security Instrument upon (i) the occurrence and during the continuance of an "Event of Default" as defined in the Indenture, (ii) except to the extent permitted by the Indenture, the occurrence of any default by the Grantor in the observance or performance of any term, covenant or condition of the Mortgaged Lease on the part of the Grantor to be observed or performed, taking into account any applicable notice and opportunity to cure provisions set forth in the Mortgaged Lease, which default terminates or could entitle the Lessor to terminate the Mortgaged Lease or the leasehold estate created thereby upon the giving of notice or the passage of time or both, or (iii) any termination or surrender of any portion of the leasehold estate created by the Mortgaged Lease, except to the extent such termination or surrender is permitted by the Indenture.

ARTICLE IV

Acceleration; Foreclosure

4.1 Acceleration of Secured Obligations. Upon the occurrence and during the continuance of an Event of Default, subject to the terms of the Intercreditor Agreement, 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 the Intercreditor Agreement and applicable law, be applied in accordance with the terms of the Intercreditor Agreement and Section 6.10 of the Indenture.

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 Indenture, or the Senior Secured Note 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 and personal property which are encumbered hereby at public sale, with or without having such fixtures 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 in accordance with the terms of the Indenture or until foreclosure and the conveyance of the Trust Property or until the Secured Obligations (other than contingent indemnity obligations) are satisfied or paid in full.

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 Trust Property, to take possession of and to operate the Trust Property, and to collect the Rents and Profits 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 Trust Property 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 Indenture or any of the Senior Secured Note 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 Indenture and in the Senior Secured Note 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 Indenture or any of the Senior Secured Note 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 Trust Property.

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 Party" shall include any Person which may become a Secured Party by way of assignment in accordance with the terms of the Indenture, together with their successors and permitted assigns.

6.2 Notices. All notices and other communications required or permitted to be given hereunder shall be given in accordance with the requirements of Section 13.2 of the Indenture.

All notices or other communications to the Trustee hereunder shall be given in accordance with the requirements of the Indenture to:

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 Indenture, the terms and conditions of the Indenture 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 [Intentionally Omitted.]

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 SENIOR SECURED NOTE DOCUMENTS, AND ANY PRIOR ORAL OR WRITTEN AGREEMENTS BETWEEN THE AGENT AND THE GRANTOR CONCERNING THE SUBJECT MATTER HEREOF AND OF THE INDENTURE AND THE SENIOR SECURED NOTE DOCUMENTS ARE SUPERSEDED BY AND MERGED INTO THIS SECURITY INSTRUMENT, THE INDENTURE AND THE SENIOR SECURED NOTE DOCUMENTS.

(b) THIS SECURITY INSTRUMENT, THE INDENTURE AND THE SENIOR SECURED NOTE 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 INDENTURE OR THE SENIOR SECURED NOTE DOCUMENTS.

(c) THIS WRITTEN SECURITY INSTRUMENT, THE INDENTURE AND THE SENIOR SECURED NOTE 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 Intercreditor Agreement. Notwithstanding anything herein to the contrary, the lien and security interest granted to the Agent pursuant to this Security Instrument and the exercise of any rights or remedy by the Agent hereunder are subject to the provisions of the Intercreditor Agreement. In the event of any conflict between the terms of the Intercreditor Agreement and this Security Instrument, the terms of the Intercreditor Agreement shall govern.

6.11 FIRST LIEN SECURITY INSTRUMENT SUPERIOR. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS SECURITY INSTRUMENT OR OTHERWISE, THE GRANTOR, THE TRUSTEE AND THE AGENT ACKNOWLEDGE AND AGREE THAT THE FIRST LIEN SECURITY INSTRUMENT (AS DEFINED HEREIN) IS SUPERIOR IN ALL RESPECTS TO THIS SECURITY INSTRUMENT AND THAT THE LIENS, SECURITY INTERESTS AND OTHER RIGHTS GRANTED PURSUANT TO THIS SECURITY INSTRUMENT ARE AND SHALL BE A JUNIOR PRIORITY LIEN, FULLY SUBORDINATED AND SUBJECT TO THE LIENS, SECURITY INTERESTS AND OTHER RIGHTS GRANTED IN THE FIRST LIEN SECURITY INSTRUMENT, IRRESPECTIVE OF WHETHER OR NOT THE FIRST LIEN SECURITY INSTRUMENT IS DATED AND/OR RECORDED AFTER THIS SECURITY INSTRUMENT IS DATED AND RECORDED.

ARTICLE VII

State Specific Provisions

7.1 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. 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 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 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 Indenture or the Senior Secured Note 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: 93-0496342; 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 PARTIES) 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.

WARNING

UNLESS YOU PROVIDE US WITH EVIDENCE OF THE INSURANCE COVERAGE AS REQUIRED BY THE INDENTURE, 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 Indenture. 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 Indenture and the Senior Secured Note Documents, 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.

ARTICLE VIII

MORTGAGED LEASE

8.1 The Grantor represents and warrants that (i) the Mortgaged Lease is in full force and effect and has not been modified or amended in any manner whatsoever except as described in the Recitals to this Security Instrument, (ii) there are no defaults by the Grantor under the Mortgaged Lease and no event has occurred, which but for the passage of time, or giving of notice, or both, would constitute a default by the Grantor under the Mortgaged Lease, (iii) all rents, additional rents and other sums due and payable under the Mortgaged Lease have been paid in full, (iv) neither the Grantor nor, to the knowledge of the Grantor, the Lessor under the Mortgaged Lease has commenced any action or given or received any notice for the purpose of terminating the Mortgaged Lease; and (v) the interest of the lessee under the Mortgaged Lease is vested in the Grantor.

8.2 Except as otherwise permitted by the Indenture, the Grantor shall (i) pay all rents, additional rents and other sums required to be paid by the Grantor, as lessee under and pursuant to the provisions of the Mortgaged Lease prior to delinquency, (ii) diligently perform and observe all of the terms, covenants and conditions of the Mortgaged Lease on the part of the Grantor, as lessee thereunder, to be performed and observed, and (iii) promptly notify the Agent of the giving of any notice by the lessor under the Mortgaged Lease to the Grantor of any default by the Grantor in the performance or observance of any of the terms, covenants or conditions of the Mortgaged Lease on the part of the Grantor, as lessee thereunder, to be performed or observed and deliver to the Agent a true copy of each such notice. The Grantor shall not, except to the extent permitted by the Indenture, surrender the leasehold estate created by the Mortgaged

Lease or terminate or cancel the Mortgaged Lease or modify, change, supplement, alter or amend the Mortgaged Lease, in any material respect, either orally or in writing, and any such surrender of the leasehold estate created by the Mortgaged Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Mortgaged Lease not done in accordance with the terms of the Indenture shall, to the extent provided by law, be void and of no force and effect.

8.3 If the Grantor shall default in the performance or observance of any term, covenant or condition of the Mortgaged Lease on the part of the Grantor, as lessee thereunder, to be performed or observed beyond the period provided in the Mortgaged Lease and such default shall be continuing, then, without limiting the generality of the other provisions of this Security Instrument, if the same is a Default or an Event of Default under the Indenture, and without waiving or releasing the Grantor from any of its obligations hereunder, the Agent shall have the right, but shall be under no obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all of the terms, covenants and conditions of the Mortgaged Lease on the part of the Grantor, as lessee thereunder, to be performed or observed or to be promptly performed or observed on behalf of the Grantor, to the end that the rights of the Grantor in, to and under the Mortgaged Lease shall be kept unimpaired and free from default, even though the existence of such event of default or the nature thereof be questioned or denied by the Grantor or by any party on behalf of the Grantor. The Grantor hereby agrees to pay to the Agent promptly after demand, all such sums reasonably so paid and expended by the Agent, together with interest thereon from the date of such payment at the default rate of interest provided in the Senior Secured Note Documents. All sums so paid and expended by the Agent and the interest thereon shall be secured by this Security Instrument. The Grantor will not subordinate or consent to the subordination of the Mortgaged Lease to any mortgage, security deed, lease or other interest on or in the Lessor's interest in all or any part of the Premises, unless, in each such case, the same shall be in accordance with the terms of the Indenture.

8.4 So long as any portion of the Secured Obligations shall remain unpaid, unless so done in accordance with the terms of the Indenture, the fee title to the Premises and the leasehold estate therein created pursuant to the provisions of the Mortgaged Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in the Grantor, the Agent, or in any other person by purchase, operation of law or otherwise. The Agent reserves the right, at any time, to release portions of the Premises, including, but not limited to, the leasehold estate created by the Mortgaged Lease, with or without consideration, at the Agent's election, without waiving or affecting any of its rights hereunder or under the Senior Secured Note Documents and any such release shall not affect the Agent's rights in connection with the portion of the Premises not so released. Without limiting the foregoing, in the event that the Grantor shall become the owner and holder of the fee title to any of the Premises, the lien of this Security Instrument shall be spread to cover the Grantor's fee title to the Premises and said fee title shall be deemed to be included in the Premises subject to this Security Instrument. The Grantor agrees, at its sole cost and expense, including without limitation the Agent's reasonable attorneys' fees, to execute any and all documents or instruments necessary to subject its fee title to the Premises to the lien of this Security Instrument. Notwithstanding the foregoing, if the Mortgaged Lease is for any reason whatsoever terminated prior to the natural expiration of its term, and if, pursuant to any provisions of the Mortgaged Lease or otherwise, the Agent or its

designee shall acquire from the Lessor thereunder another lease of the Premises, the Grantor shall have no right, title or interest in or to such other lease or the leasehold estate created thereby.

8.5 If the Mortgaged Lease is terminated for any reason in the event of the rejection or disaffirmance of the Mortgaged Lease pursuant to the United States Bankruptcy Code, 11 U.S.C. §101, et seq., as the same may be amended (the "Code") or any other law affecting creditor's rights, (i) the Grantor, immediately after obtaining notice thereof, shall give notice thereof to the Agent, (ii) the Grantor, except as permitted by the terms of the Indenture, shall not elect to treat the Mortgaged Lease as terminated pursuant to Section 365(h) of the Code or any comparable federal or state statute or law, and any election by the Grantor made without such consent shall be void to the extent permitted by law and (iii) this Security Instrument and all the liens, terms, covenants and conditions of this Security Instrument shall extend to and cover the Grantor's possessory rights under Section 365(h) of the Code and to any claim for damages due to the rejection of the Mortgaged Lease or other termination of the Mortgaged Lease. In addition, the Grantor hereby irrevocably assigns to the Agent, subject to the terms of the Intercreditor Agreement, the Grantor's rights to treat the Mortgaged Lease as terminated pursuant to Section 365(h) of the Code and to offset rents under such Mortgaged Lease in the event any case, proceeding or other action is commenced by or against the Lessor under the Code or any comparable federal or state statute or law, provided that the Agent shall not exercise such rights and shall permit the Grantor to exercise such rights in accordance with the terms of the Indenture, unless an Event of Default shall have occurred and be continuing.

8.6 The Grantor hereby assigns to the Agent (subject to the terms of the Intercreditor Agreement), (i) the Grantor's right to reject the Mortgaged Lease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against the Grantor under the Code or comparable federal or state statute or law, and (ii) the Grantor's right to seek an extension of the 60-day period within which the Grantor must accept or reject the Mortgaged Lease under Section 365 of the Code or any comparable federal or state statute or law; provided that the Agent shall not exercise any such right, and shall permit the Grantor to exercise such rights unless prohibited by the Indenture, unless an Event of Default shall have occurred and be continuing. Further, if the Grantor shall desire to so reject the Mortgaged Lease, the Grantor shall assign its interest in the Mortgaged Lease to the Agent in lieu of rejecting such Mortgaged Lease as described above, unless prohibited by the terms of the Indenture, upon receipt by the Grantor of written notice from the Agent of such request together with the Agent's agreement to cure any existing defaults of the Grantor under such Mortgaged Lease.

ARTICLE IX

REGARDING TRUSTEE

9.1 Trustee's Powers and Liabilities.

(a) The Trustee, by acceptance hereof, covenants faithfully to perform and fulfill the trusts herein created, being liable, however, only for gross negligence, bad faith

or willful misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by it in accordance with the terms thereof. All authorities, powers and discretions given in this Security Instrument to the Trustee and/or the Agent may be exercised by either, without the other, with the same effect as if exercised jointly;

(b) The Trustee may resign at any time upon giving thirty (30) days' notice in writing to the Grantor and to the Agent;

(c) The Agent may remove the Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, inability to act or absence of the Trustee from the state in which the Premises are located, or in its sole discretion for any reason whatsoever. The Agent may, upon notice to the Grantor and without specifying the reason therefor and without applying to any court, select and appoint a successor trustee, and all powers, rights, duties and authority of the former trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of his duties unless required by the Agent. Such substitute trustee shall be appointed by written instrument duly recorded in the county where the Premises is located. The Grantor hereby ratifies and confirms any and all acts that the herein named Trustee, or his successor or successors in this trust, shall do lawfully by virtue hereof. The Grantor hereby agrees, on behalf of itself and its heirs, executors, administrators and assigns, that the recitals contained in any deed or deeds executed in due form by any Trustee or substitute trustee, acting under the provisions of this instrument, shall be prima facie evidence of the facts recited, and that it shall not be necessary to prove in any court, otherwise than by such recitals, the existence of the facts essential to authorize the execution and delivery of such deed or deeds and the passing of title thereby;

(d) The Trustee shall not be required to see that this Security Instrument is recorded nor liable for its validity or its priority as a second lien deed of trust, or otherwise, nor shall the Trustee be answerable or responsible for performance or observance of the covenants and agreements imposed upon the Grantor or the Agent by this Security Instrument or any other agreement. The Trustee, as well as the Agent, shall have authority in their respective discretion to employ agents and attorneys in the execution of this trust and to protect the interest of the Agent hereunder, and to the fullest extent permitted by law they shall be compensated and all expenses relating to the employment of such agents and/or attorneys, including expenses of litigation, shall be paid out of the proceeds of the sale of the Trust Property conveyed hereby should a sale be had, but if no such sale be had, all sums so paid out shall be recoverable to the fullest extent permitted by law by all remedies at law or in equity; and

(e) At any time, or from time to time, without liability therefor and with ten (10) days' prior written notice to the Grantor, upon written request of the Agent and without affecting the effect of this Security Instrument upon the remainder of the Trust Property, the Trustee may (A) reconvey any part of the Trust Property, (B) consent in writing to the making of any map or plat thereof, so long as the Grantor has consented

thereto, (C) join in granting any easement thereon, so long as the Grantor has consented thereto, or (D) join in any extension agreement or any agreement subordinating the lien or charge hereof.

[SIGNATURES ON THE NEXT PAGE]

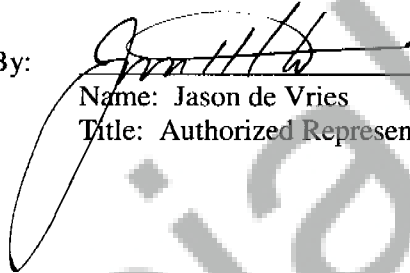
Unofficial
Copy

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

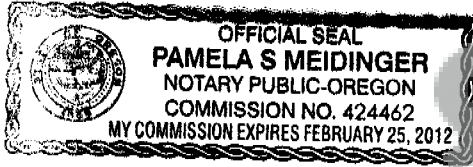
2nd Lien Mortgage- Klamath County, Oregon (Jeld-Wen 206)

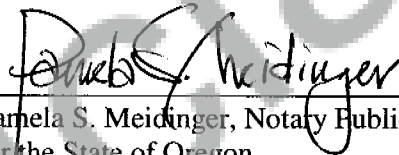
STATE OF OREGON)
):SS.:
COUNTY OF KLAMATH)

On this 2nd day of September, 2011, 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: February 25, 2012





Pamela S. Meidinger, Notary Public in and
for the State of Oregon

EXHIBIT A

Legal Description

Site 206:

LEASE PARCEL

A tract of land situated in the north one-half of Section 22, Township 39 south, Range 9 east, Willamete Meridian, Klamath County, Oregon, being more particularly described as follows:

BEGINNING AT A POINT from which the northeast corner of said Section 22 bears north 63°55'53" east, 2,058.49 feet; thence south 00°00'00" west 263.49 feet; thence north 90°00'00" east, 100.00 feet; thence south 00°00'00" west, 193.99 feet; thence north 90°00'00" west, 143.36 feet to a point of non-tangent curvature; thence along the arc of a 485.00 foot radius non-tangent curve to the left, through a central angle of 35°58'23", an arc distance of 304.51 feet (the long chord of which bears north 72°00'48" west, 299.53 feet) to a point of tangency; thence north 90°00'00" west 331.44 feet; thence north 03°30'27" west, 36.49 feet to a point of curvature; thence along the arc of a 450.00 foot radius curve to the left, through a central angle of 33°11'24", an arc distance of 260.67 feet (the long chord of which bears north 20°06'10" west, 257.05 feet) to a point of tangency; thence north 36°41'52" west, 75.51 feet; thence north 00°00'00" east, 26.63 feet; thence north 90°00'00" east, 795.40 feet to the POINT OF BEGINNING.

This tract of land contains 6.68 acres more or less.

AMERITITLE, has recorded this instrument by request as an accomodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.