



Chicago Title  
Insurance Company

FILED FOR RECORD AT REQUEST OF

01-989-596727-8  
WHEN RECORDED RETURN TO

Name JOHN L. PRICE

Address 821 Indian Mary Rd

City, State, Zip Skamania, Wa

01-989-596727-8  
scr 1993

124938

Subordination Agreement BOOK 156 PAGE 350

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. POWER TECH FEDERAL CREDIT UNION referred to herein as "subordinator", is the owner and holder of a mortgage dated February 10, 1995, which is recorded in volume 148 of Mortgages, page 277, under auditor's file No. 121635, records of SKAMANIA County.
2. WASHINGTON MUTUAL BANK referred to herein as "lender", is the owner and holder of a mortgage dated March 28, 1996, executed by JOHN LEBARON PRICE AND MELISSA A. CARLSON PRICE (which is recorded in volume 186 of Mortgages, page 344, under auditor's file No. 124938, records of SKAMANIA County) (which is to be recorded concurrently herewith).
3. JOHN LEBARON PRICE AND MELISSA A. CARLSON PRICE referred to herein as "owner", is the owner of all the real property described in the mortgage identified above in Paragraph 2.
4. In consideration of benefits to "subordinator" from "owner", receipt and sufficiency of which is hereby acknowledged, and to induce "lender" to advance funds under its mortgage and all agreements in connection therewith, the "subordinator" does hereby unconditionally subordinate the lien of his mortgage identified in Paragraph 1 above to the lien of "lender's" mortgage, identified in Paragraph 2 above, and all advances or charges made or accruing thereunder, including any extension or renewal thereof.
5. "Subordinator" acknowledges that, prior to the execution hereof, he has had the opportunity to examine the terms of "lender's" mortgage, note and agreements relating thereto, consents to and approves same, and recognizes that "lender" has no obligation to "subordinator" to advance any funds under its mortgage or to see to the application of "lender's" mortgage funds, and any application or use of such funds for purposes other than those provided for in such mortgage, note or agreements shall not defeat the subordination herein made in whole or in part.
6. It is understood by the parties hereto that "lender" would not make the loan secured by the mortgage in Paragraph 2 without this agreement.
7. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the lien or charge of the mortgage in favor of "lender" above referred to and shall supercede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
8. The heirs, administrators, assigns and successors in interest of the "subordinator" shall be bound by this agreement. Where the word "mortgage" appears herein it shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned.

Executed this 26th day of March, 1996

NOTICE: THIS SUBORDINATION AGREEMENT CONTAINS A PROVISION WHICH ALLOWS THE PERSON OBLIGATED ON YOUR REAL PROPERTY SECURITY TO OBTAIN A LOAN A PORTION OF WHICH MAY BE EXPENDED FOR OTHER PURPOSES THAN IMPROVEMENT OF THE LAND. IT IS RECOMMENDED THAT, PRIOR TO THE EXECUTION OF THIS SUBORDINATION AGREEMENT, THE PARTIES CONSULT WITH THEIR ATTORNEYS WITH RESPECT THERETO.

*[Signature]*  
Power Tech Federal Credit Union

STATE OF WASHINGTON

COUNTY OF Clark

On this day personally appeared before me

to me known to be the individual(s) described in and who executed the within and foregoing instrument, and acknowledged that \_\_\_\_\_ signed the same as \_\_\_\_\_ free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

Notary Public in and for the State of Washington residing at \_\_\_\_\_

STATE OF WASHINGTON

COUNTY OF Clark

On this 26th day of March, 1996, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared \_\_\_\_\_

and \_\_\_\_\_  
to me known to be the \_\_\_\_\_ President and \_\_\_\_\_ Secretary, respectively of \_\_\_\_\_ Power Tech FCU, the corporation that executed the foregoing instrument, 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 \_\_\_\_\_ authorized to execute the said instrument and that the seal affixed is the corporate seal of said corporation.  
Witness my hand and official seal hereto affixed the day and year first above written.

*[Signature]*  
Notary Public in and for the State of Washington, residing at \_\_\_\_\_

BUE MAININI  
NOTARY PUBLIC  
STATE OF WASHINGTON  
COMMISSION EXPIRES  
JUNE 1, 1997

FROM

10.30.1995 15:27

P. 4

# EXHIBIT A

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The Northeast Quarter of the Northwest Quarter and the South one-half of the Northwest Quarter of the Northeast Quarter of Section 33, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

EXCEPTING that portion thereof heretofore deeded to Charles C. Cree by E. R. Covey and Carrie D. Covey by those certain deeds recorded in Book U, Page 252 and Book U, Page 521 of Deed Records of aforesaid County and State.

EXCEPTING any duly established and/or dedicated roadways, containing 57 acres, more or less.

EXCEPTING all that portion of the Northeast Quarter of the Northwest Quarter and the South Half of the Northwest Quarter of the Northeast Quarter of Section 33, Township 2 North, Range 6 East of the Willamette Meridian lying on the Westerly side of the county road known as Maple Flat Road sold to F. L. Terahin and Gertrude G. Terahin by Thomas Longbotham and Edith Longbotham by deed dated September 16, 1947.



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Drawn By and Return To:  
Moore & Van Allen, PLLC (WHF)  
NationsBank Corporate Center  
100 North Tryon Street, Floor 47  
Charlotte, North Carolina 28202-4003

Tax Account Number of  
Property Secured: \_\_\_\_\_

STATE OF WASHINGTON  
COUNTY OF SKAMANIA

DEED OF TRUST  
AND  
SECURITY AGREEMENT

COLLATERAL IS OR INCLUDES FIXTURES

THIS DEED OF TRUST AND SECURITY AGREEMENT (the "Deed of Trust") is made and entered into as of March 29, 1996, by and among

WEST COAST FOREST RESOURCES LIMITED PARTNERSHIP, a Texas limited partnership, formerly known as IP Timberlands Operating Company, Ltd. (the "Company"); and

Fidelity National Title Company of Washington, a Washington corporation (the "Trustee"); and

NATIONSBANK, N.A. as Agent, for the Lenders from time to time party to the Credit Agreement hereinafter defined and any Affiliates (as defined in the Credit Agreement) of Lenders that enter into Interest Rate Protection Agreements (as defined in the Credit Agreement) with the Company, (in its capacity as Agent hereunder, together with any successor in such capacity, hereinafter the "Agent").

W I T N E S S E T H:

The Company, in consideration of the indebtedness herein recited, irrevocably GRANTS, BARGAINS, SELLS, CONVEYS, TRANSFERS, ASSIGNS AND SETS OVER to the Trustee and the Trustee's successors and assigns in trust WITH THE POWER OF SALE, all of the following described land, real property interests, buildings, improvements, fixtures, furniture and appliances and other personal property:

(a) All that tract or parcel of land and other real property interests in Skamania County, Washington more particularly described in Exhibit A attached hereto and made a part hereof (collectively, the "Real Property Interests"); including without limitation, any and all timber, of any size or age, standing or severed, now growing or to be grown hereafter, including further, without limitation, all merchantable trees of any size or age (living or dead) timber logs, pulpwood, timber and trees of any species, including, without limitation, Douglas Fir, Western Hemlock, White Fir, Western Red Cedar, Red Alder and Incense Cedar, lightwood stumps (collectively, the "Merchantable Timber") and any and all timber cutting contracts, timber cutting rights, timber

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other contracts, licenses and permits now or hereafter affecting the Premises (the "Intangible Personalty") or any part thereof, and the Company agrees to execute and deliver to the Agent such additional instruments, in form and substance satisfactory to the Agent, as may hereafter be 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.

All the Tangible Personalty which comprise a part of the Premises shall, as far as permitted by law, be deemed to be affixed to the aforesaid Land and conveyed therewith. As to the balance of the Tangible Personalty and the Intangible Personalty, this Deed of Trust 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 Company grants to the Agent all of the rights and remedies of a secured party under the North Carolina and Washington Uniform Commercial Code.

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

#### ARTICLE I

##### Secured Obligations

1.1 Obligations Secured. This Deed of Trust secures (a) all present and future indebtedness, obligations and liabilities of the Company under or in connection with (i) that certain Credit Agreement dated as of March 29, 1996 (as amended, modified, extended, renewed or replaced from time to time, the "Credit Agreement") among the Company, as borrower, R-H Timber Co., as guarantor, the lenders from time to time party thereto (the "Lenders"), and the Agent pursuant to which the Lenders have agreed, subject to certain terms and conditions, to make available loans to the Company, (ii) any Note or Notes (as defined in the Credit Agreement) or other evidence of indebtedness of the Company now or hereafter issued in connection with the Credit Agreement or the loans and extensions of credit (including without limitation letters of credit) thereunder or (iii) any other of the Credit Documents (as defined in the Credit Agreement) to which the Company is a party, whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired, together with any and all modifications, extensions, renewals and/or substitutions of any of the foregoing, (b) all expenses and charges, legal and otherwise, reasonably incurred by the Agent and/or the Lenders in collecting or enforcing any of such indebtedness, obligations and liabilities or in realizing on or protecting any security therefor, including without limitation the security afforded hereunder, (c) all other indebtedness, liabilities and obligations of any kind or nature,



for any failure to do so and no such failure shall affect or impair the Agent's rights hereunder. The Company 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 default rate of interest set forth in the Credit Agreement, and all such sums and interest thereon shall be secured hereby.

**2.4 Additional Documents.** The Company agrees to execute and deliver to the Agent, concurrently with the execution of this Deed of Trust and upon the request of the Agent from time to time hereafter, all financing statements and other documents reasonably required to perfect and maintain the security interest created hereby. The Company hereby irrevocably (so long as the Credit Agreement is in effect or any amounts payable thereunder or under any other Credit Document shall remain outstanding) makes, constitutes and appoints the Agent as the true and lawful attorney of the Company to sign the name of the Company (after the Company has failed or refused to timely execute such documents upon request of the Agent) on any financing statement, continuation of financing statement or similar document required to perfect or continue such security interests.

**2.5 Sale or Encumbrance.** Except as provided otherwise in the Credit Agreement and with respect to Merchantable Timber sold pursuant to Section 2.16 hereof, the Company will not sell, 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; provided, however, in the event the Company sells or otherwise disposes of any of the Tangible Personalty, the Agent's security interest in the proceeds of the Tangible Personalty shall continue pursuant to this Deed of Trust.

**2.6 Fees and Expenses.** Except as provided otherwise in the Credit Agreement, the Company will pay or reimburse the Agent and the Trustee for all reasonable attorneys' fees, costs and expenses actually incurred by the Agent or the Trustee in any action, legal proceeding or dispute of any kind which affects the Secured Obligations, the interest created herein, the Premises, the Rents and Profits or the Intangible Personalty, including but not limited to, any foreclosure of this Deed of Trust, enforcement of payment of the Notes, any condemnation action involving the Premises or any action to protect the security hereof. Any such amounts paid by the Agent shall be due and payable upon notice thereof and demand for and shall be secured hereby.

**2.7 Leases and Other Agreements.** Without first obtaining on each occasion the written approval of the Agent, the Company shall not, except as permitted by the Credit Agreement, enter into, cancel, surrender or modify or permit the cancellation of any lease (including any equipment lease), rental agreement, management contract, franchise agreement, construction contract, technical services agreement or other contract, license or permit now or hereafter affecting the Premises, or modify any of said instruments, or accept or permit to be made, any prepayment of any

person. The Company 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 agency or 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 Company shall promptly notify the Agent of such requirement or commencement of proceeding (for demolition, condemnation or other taking).

**2.11 Transfer of Premises.** Except as provided otherwise in the Credit Agreement or in this Deed of Trust, the Company covenants and agrees with the Agent that the Company shall 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 Deed of Trust without the prior written consent of the Agent.

**2.12 Compliance with Law.** Except as provided otherwise in the Credit Agreement, the Company 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 the Premises (including applicable statutes, regulations, ordinances, orders and restrictions relating to subdivision and zoning and environmental standards and controls).

**2.13 Inspection.** The Company will permit the Agent, or its agents, at all reasonable times and with advance prior notice to enter and pass through or over the Premises for the purpose of inspecting same; provided, however, prior to an Event of Default inspections shall be at reasonable times during the Company's normal business hours.

**2.14 Releases and Waivers.** The Company agrees that no release by the Agent of any portion of the Premises, the Rents and Profits or the Intangible Personalty, no subordination of lien, no forbearance on the part of the Lenders 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 and no action taken or not taken by the Agent shall in any way have the effect of releasing the Company from full responsibility to the Lenders and the Agent for the complete discharge of each and every of the Company's obligations hereunder.

**2.15 Sale of Timber.** Agent acknowledges and agrees that, subject to the limitations set forth in the Credit Agreement, Company may sell Merchantable Timber lying or growing on the Premises or which has been cut and/or removed from the Premises from time to time, and any such timber so sold shall, upon receipt by the Company of the full purchase price of such timber in cash, be free and clear of the lien and security interest created by this Deed of Trust. The Agent and Company covenant and agree that



ARTICLE III

Event of Default

3.1 An Event of Default shall exist under the terms of this Deed of Trust upon the existence of an Event of Default under the terms of the Credit Agreement, the Notes or any other Credit Document.

ARTICLE IV

Foreclosure

4.1 Acceleration of Secured Obligations; Foreclosure. Upon the occurrence and continuance of an Event of Default the entire balance of the Secured Obligations, including all accrued interest, shall, at the option of the Agent, become immediately due and payable. In the event that the Secured Obligations shall not be paid in full at any stated or accelerated maturity, the Agent may foreclose the lien of this Deed of Trust pursuant to the power of sale hereby granted or by judicial proceeding.

4.2 Power of Sale. On the written request of the Agent, the Trustee shall sell the Premises (together with Rents and Profits) in accordance with the applicable law of the State of Washington, at public auction to the highest bidder. The Premises may be sold separately or as a whole, at the option of the Agent. If noncontiguous portions of the Premises are situated in different counties, the Company agrees that a sale by the Trustee of all or any part of the Premises may be held in a single county provided all notices required to be posted are posted on the Premises in each county and that all notices required to be published are published in each county. Any person permitted by law may bid at the Trustee's sale. If the Agent is the purchaser at a foreclosure sale, the Agent shall be entitled to a credit against the purchase price in an amount equal to the lesser of (a) the full amount secured by this Deed of Trust as of the date of the sale, or (b) the purchase price.

4.3 Sale of Personalty. Upon the written request of the Agent, the Trustee shall sell the Tangible Personalty at a public sale at the same time and place as the sale of the Premises; or the Agent may sell the Tangible Personalty at one or more other public or private sales in accordance with the applicable Uniform Commercial Code. The Tangible Personalty shall not be required to be exhibited, presented or displayed at any sale. In the event of a Trustee's sale of the Premises, the Rents and Profits and Intangible Personalty, the Agent hereby assigns its security interest in the Rents and Profits and Intangible Personalty to Trustee. The Company agrees that a sale by the Trustee and the notices required under the deed of trust laws are commercially reasonable and adequate under the Uniform Commercial Code.

this Deed of Trust, the Credit Agreement, 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) cause any or all of the Merchantable Timber to be sold under the power of sale granted by this Timber Deed of Trust and Security Agreement in any manner permitted by applicable law; and (i) Agent, at its option, may itself, or using its agents or representatives, enter upon the land upon which the Merchantable Timber is located and harvest sufficient Merchantable Timber from such land which, when sold by Agent, will net sufficient proceeds, after deduction of all expenses incurred by Agent in such harvest and sale activity, to cure any default under this Deed of Trust and to pay any of the Secured Obligations. Any surplus realized by Agent will be promptly paid over the Grantor. In availing itself of this option, Agent shall use good faith efforts to harvest only sufficient Merchantable Timber to realize sufficient net proceeds to cure Grantor's default and to pay the Secured Obligations, but shall not be liable for any damages to Grantor if a surplus is a result. Agent shall accomplish any such harvesting and sale in a commercially reasonable manner.

Notwithstanding the occurrence of an Event of Default or acceleration of the Secured Obligations, the Agent shall continue to have the right to pay money, whether or not loan funds under the Credit Agreement, for the purposes described in Sections 2.3 and 2.6 hereof, and all such sums and interest thereon shall be secured hereby. The Company 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 with the consent of the Agent or until foreclosure and the conveyance of the Premises to the high bidder or until the Credit Agreement is no longer in effect and no amounts payable thereunder or under any other Credit Document and no Letter of Credit shall remain outstanding.

5.2 Appointment of Receiver. Upon the occurrence and continuance of an Event of Default, the Agent shall be entitled, to the extent permitted by applicable law, without additional notice and without regard to the adequacy of any security for the Secured Obligations or the solvency of any party bound for its payment, to seek the appointment of a receiver to take possession of and to operate the Premises, and to collect the rents, issues, profits, and income thereof, all expenses of which shall be added to the Secured Obligations and secured hereby.

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 the Notes, this Deed of Trust, the Credit Agreement or any of the other Credit Documents, nor shall any waiver of a prior Event of Default operate to waive any subsequent Event(s) of Default. All remedies provided in this Deed of Trust, in the Notes, in the Credit Agreement and in the other Credit



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with copy to:

International Paper Company  
Two Manhattanville Road  
Purchase, New York 10577  
Attention: Corporate Secretary  
Phone: (914) 397-1500  
Fax: (914) 397-1909

to the Trustee:

Fidelity National Title Company of Washington  
3500 188th St. S.W., Suite 300  
Lynnwood, WA 98037  
Phone: (206) 771-3031  
Fax: (206) 527-9240

to the Agent:

NATIONSBANK, N.A.  
Independence Center, 15th Floor  
NC1-001-15-04  
101 N. Tryon Street  
Charlotte, North Carolina 28255  
Attention: Agency Services  
Phone: (704) 386-9923  
Fax: (704) 388-3916

Notwithstanding the foregoing this Section shall not apply to any notices given after the occurrence of an Event of Default as defined in the Credit Agreement in connection with any judicial or nonjudicial foreclosure.

**6.4 Greater Estate.** In the event that the Company is the owner of a leasehold estate with respect to any portion of the Premises and, prior to the satisfaction of the indebtedness and the cancellation of this Deed of Trust of record, the Company obtains a fee estate in such portion of the Premises, then, such fee estate shall automatically, and without further action of any kind on the part of the Company, be and become subject to the security lien of this Deed of Trust.

**6.5 Imposition of Tax.** In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, in any manner changing or modifying the laws now in force governing the taxation of debts secured by deeds of trust or the manner of collecting taxes so as to affect adversely the Agent or the Lenders, the Company will promptly pay any such tax on or before the due date thereof.

**6.6 Invalidation of Provisions.** Invalidation of any one or more of the provisions of this Deed of Trust shall in no way affect any of the other provisions hereof, which shall remain in full force and effect.

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IN WITNESS WHEREOF, the Company has executed this Deed of Trust under seal as of the above written date.

COMPANY:

WEST COAST FOREST RESOURCES  
LIMITED PARTNERSHIP, a Texas  
limited partnership (SEAL)

By: R-H Timber Co., LLC an  
Oregon limited liability  
company, as managing  
general partner

ATTEST:

\_\_\_\_\_  
Secretary  
(Corporate Seal)

By: Roseburg Resources  
Co., an Oregon  
corporation, as  
member

By: Allyn C. Lee  
Title President

ATTEST:

\_\_\_\_\_  
Secretary  
(Corporate Seal)

By: Mid-Valley  
Resources, Inc., an  
Oregon corporation,  
as member

By: RC Parker  
Title President



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STATE OF North Carolina )

COUNTY OF Mecklenburg )

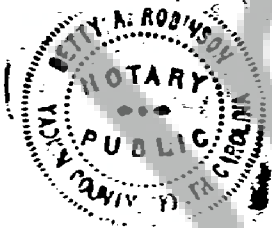
Before me, the undersigned, a Notary Public in and for the State and County aforesaid, personally appeared R.C. Parker, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence), and who, upon oath, acknowledged himself to be the President of Mid-Valley Resources, Inc. an Oregon corporation, a member of R-H TIMBER CO., an Oregon limited liability company, the managing general partner of WEST COAST FOREST RESOURCES LIMITED PARTNERSHIP, a Texas limited partnership, the within named bargainor, and that he as such President executed the foregoing instrument in the capacity and for the purposes therein contained, by signing the name of the corporation by himself as such President.

WITNESS my hand, at office in Charlotte,  
Mecklenburg County, this 29th day of March, 1996.

Betty A. Robinson  
Notary Public

My Commission Expires:

4-28-98



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SCHEDULE I  
Excluded Timber Sales Contracts

DATE OF CONTRACT	SALE CONTRACT #/NAME	PURCHASER	EXPIRATION DATE	TOTAL VALUE
01-02-96	TS96 - LV - 01 / 532 Road	Miller Shingle	09-30-97	\$763,311.00
01-02-96	TS96 - LV - 02 / 550 Road	Miller Shingle	09-30-97	1,418,647.00
01-02-96	TS96 - LV - 03 / 644 Road	Rayonier	09-30-97	1,276,760.00
02-01-95	TS95 - LV - 01 / 709 Road	Rayonier	09-30-96	1,279,460.00
06-01-95	TS95 - LV - 02 / Upper Nieman	Rayonier	09-30-96	777,650.00
09-01-95	TS95 - LV - 03 / Cedar Creek	Holbrook	09-30-96	1,284,253.00
09-01-95	TS95 - LV - 04 / Dunivan Road	Holbrook	09-30-96	489,761.00
09-01-95	TS95 - 02 / Running Wolf	Seneca	03-30-97	1,875,000.00
11-01-95	TS95 - 03 / Big Creek SS	Scott	09-30-97	500,000.00
11-01-95	TS95 - 04 / Little Canyon	Scott	09-30-97	520,000.00
11-01-95	TS95 - 06 / Wolf Fish	Willamette	09-30-97	764,000.00
09-01-94	TS94 - LV - 01 / 1557 Road	Menasha	09-30-96	911,000.00
11-01-94	TS94 - LV - 03 / 1550 Road	RSG Forest	11-30-96	855,620.00
12-15-94	TS94 - LV - 06 / 850 Road	Pacific Lumber	09-30-96	1,911,000.00



17. **DEFAULT:** If you default in the payment of the Account, or in the performance of any terms of your Agreement, or in the performance of anything you agree to do in this Deed, we may foreclose this Deed, either by legal action or by advertisement and sale in accordance with the laws of Oregon.

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18. **RIGHT TO CURE DEFAULT:** You have the right to cure the default within 5 days of the date set by the Trustee as the date of sale, by paying us (a) the entire amount due, (b) the actual costs and expenses we incur, and (c) actual trustee's and attorney's fees, as provided by section 86.753(1)(a) of the Oregon Revised Statutes or as provided by the laws of Oregon in effect at the time cure is effected.

19. **SALE OF PROPERTY:** If you sell the Property voluntarily without obtaining our consent, we may declare as immediately due and payable the Unpaid Balance on the Account plus Finance Charge on that Balance. We will not exercise our right to make that declaration if (1) we allow the sale of the Property because the creditworthiness of the purchaser of the Property is satisfactory and (2) that purchaser, prior to sale, signed a written assumption agreement with us which contains terms we specify including, if we require, an increase in the Finance Charge Rate under the Agreement.

20. **PRIOR MORTGAGES OR DEEDS OF TRUST:** You shall pay and keep current the monthly instalments on any prior deed of trust or mortgage and shall prevent any default of the prior mortgage or deed of trust. Should any default be made in the payment of any instalment of principal or any interest on the prior deed of trust or mortgage, or should any suit be filed to foreclose the prior deed of trust or mortgage, you agree the amount secured by this Deed shall be due and payable in full at any time. At our option, we may pay the scheduled monthly instalments on the loan secured by the prior deed of trust or mortgage and, up to the amount we pay, we may become subrogated to the rights of the beneficiary or mortgagee on the prior deed of trust or mortgage. All payments we make on the loan secured by the prior deed of trust or mortgage shall bear interest at the Finance Charge Rate until the amount so paid is paid in full.

21. **PREPAYMENT CHARGE:** A Prepayment Charge may be assessed and collected if you prepay this Account; that is, if you reduce the Principal Balance on the Account to zero and close the Account during the first 60 months that this Account is open. The Charge will be collected at the time the Principal Balance is reduced and will be an amount equal to 6 months' Finance Charge on the average of the Principal Balances for each of the 6 months prior to the closing of the Account at the then prevailing Annual Percentage Rate. This Prepayment Charge may be assessed regardless of whether the prepayment on your Account was voluntary or involuntary.

22. **FUTURE OWNERS:** This Deed shall be binding upon you, your heirs and personal representatives and all persons who subsequently acquire any interest in the Property.

23. **PARTIAL RELEASE OF PROPERTY:** At your request, we may release any part of the Property from this Deed. Any release shall not affect our interest or any rights we may have in the rest of the Property.

24. **COSTS OF RELEASE:** You shall pay all costs and expenses of obtaining and recording all releases from and of this Deed.

25. **CHANGES IN DEED:** This Deed cannot be changed or terminated except in a writing which we sign.

26. **SUBSTITUTION OF TRUSTEE:** If the Trustee resigns, we may appoint a Successor Trustee.

27. **NOTICE OF DEFAULT:** We request that a copy of any notice of default and a copy of any notice of sale mailed to you also be mailed to us at the address on the front.

28. **COPY:** You acknowledge that you received a true copy of this Deed.

29. **SIGNATURE:** You have signed and sealed this Deed on 4/1, 1996 in the presence of the persons identified below as "witnesses."

Witness

Yang Shan

Witness

Shari L GEE

Robert A GEE (SEAL)

Shari L GEE (SEAL)

Grantor

STATE OF OREGON, COUNTY OF MULTNOMAH

On this 1 day of APRIL, 1996  
before me, a Notary Public in and for said State, personally  
appeared ROBERT A GEE AND SHARI L GEE

known to me to be the person(s) whose name(s) ARE  
subscribed to the within instrument and acknowledged to me  
that they executed the same

Angela K. Bricker Notary Public of Oregon  
My Commission expires 3-1-98

STATE OF OREGON, COUNTY OF

I HEREBY CERTIFY That this instrument was filed for  
record at the request of the Beneficiary at        minutes  
past        o'clock M., this day of         
19       in my office, and duly recorded in Book         
of Mortgages at page       



OFFICIAL SEAL  
ANGELA K. BRICKER  
NOTARY PUBLIC-OREGON  
COMMISSION NO. 032451  
MY COMMISSION EXPIRES MAR. 01, 1998

#### REQUEST FOR FULL RECONVEYANCE

\_\_\_\_\_, Trustee

Date: \_\_\_\_\_, 19\_\_\_\_

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing Deed of Trust. All sums secured by that Deed of Trust have been fully paid and satisfied. You hereby are directed to cancel all evidences of indebtedness secured by that Deed of Trust (which are delivered to you herewith together with the Deed of Trust) and to reconvey, without warranty, to the parties designated by the terms of the Deed of Trust the estate now held by you under the same. Mail reconveyance and documents to the office of the holder of the indebtedness presenting this request.

Beneficiary

Beneficial Oregon Inc. d/b/a  
BENEFICIAL MORTGAGE CO.

By \_\_\_\_\_

Office Manager