

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

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Hartford, CT 06103

Sec 303/6

Loan No. C

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

DOCUMENTS RELEASED OR ASSIGNED: None

GRANTOR: LONGVIEW TIMBERLANDS LLC,
a Delaware limited liability company

GRANTEE (Trustee): TICOR TITLE INSURANCE COMPANY
600 SW 39th Street, Suite 100
Renton, WA 98055

GRANTEE (Beneficiary): METROPOLITAN LIFE INSURANCE COMPANY,
a New York corporation, as Collateral Agent

ABBREVIATED LEGAL DESCRIPTION: SEC 1 TWP 2 RGE 5, Skamania County, Washington
The complete legal description begins on Exhibit A.

ASSESSOR'S PROPERTY TAX PARCEL ACCOUNT NUMBERS: 2050000010000
See page ii for complete list of tax parcel numbers.

SKAMANIA COUNTY
<u>Tax Parcel Number</u>
2050000010000
2050000020200
2050000030000
2050000030100
2050000030200
2050000040000
2050000050000
2050000060000
2050000090000
2050000090006
2050000010000
2050000100006
2050000110000
2050000120000
2050000140000
2050000140006
2052000030000
2052500010000
2052500020000
2052500090000
2052600100000
2060000030200
2060000050000
2060000060300
2060000140100
2060000150000
2060000160000
2060000160100
2060000160200
2060000240000
2060000400000
2060000410000
2070300010000
2070300010100
2070300020000
2070900030000
2070900040000
2070900040006
2071600020000
2071600020006
2071600020100
3050000080000

SKAMANIA COUNTY
<u>Tax Parcel Number</u>
3050000200000
3050000210000
3060000200000
3060000220000
3060000260000
3070000060000
3070000140000
3072300040000
3072400010000
3072400020000
3080000180100
3080500020000
3080500030000
3080600040000
3080600050000
3080800030000
3081800070000
3081900020000
3083000030000
3752400020000
3752400020100
3752400040000
3752500010000
3752500010100
3752500050000
3752500060000
4070000019000
4071500010000
4072640050000
4073500010000
4752540080000
4753600010000
7050000020001
70500000110000

THIS THIRD DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING AND FINANCING STATEMENT (hereinafter, with all amendments thereto, being referred to as this "**Deed of Trust**"), made and entered into as of April 3, 2008, among **LONGVIEW TIMBERLANDS LLC**, a Delaware limited liability company with an address at c/o Longview Fibre Company, 10 International Way, Longview, Washington 98632 (the "**Grantor**" or the "**Borrower**"), **TICOR TITLE INSURANCE COMPANY**, a California corporation with an address at 600 SW 39th Street, Suite 100, Renton, WA 98055 (the "**Trustee**") and **METROPOLITAN LIFE INSURANCE COMPANY**, a New York corporation with an address at 6750 Poplar Avenue, Suite 109, Memphis, Tennessee 38138 for itself as lender, and as Collateral Agent under, and as such term is defined in, that certain Co-Lending Servicing and Agency Agreement dated of even date herewith among Metropolitan Life Insurance Company, American AgCredit, FLCA and Rabobank, N.A. (collectively, the "**Co-Lenders**"), as amended from time to time (Metropolitan Life Insurance Company, in such capacities being referred to herein as the "**Beneficiary**").

For purposes of Article 9 of the Uniform Commercial Code (RCW 62A.9A), this Deed of Trust constitutes a Security Agreement with the Borrower being the Debtor and the Beneficiary being the Secured Party. This Deed of Trust also constitutes a Financing Statement filed as a fixture filing pursuant to Article 9 of the Uniform Commercial Code. This Deed of Trust also constitutes a Financing Statement covering Timber (as defined herein) to be cut and as extracted collateral pursuant to Article 9 of the Uniform Commercial Code, (RCW 62A.9A-502(c)).

WITNESSETH:

FOR GOOD AND VALUABLE CONSIDERATION AND FOR THE PURPOSE OF SECURING payment and performance of the Secured Obligations (as such term is hereinafter defined) and the trust herein created, Grantor does hereby **GRANT, BARGAIN, SELL, CONVEY, AND CONFIRM** to Trustee, **IN TRUST, WITH POWER OF SALE**, for the benefit and security of Beneficiary, under and subject to the conditions hereinafter set forth, all right, title and interest in and to the property and interests described in the following Granting Clauses, which constitute or may constitute an interest in real property or fixtures and does hereby grant to the Beneficiary a security interest in and a pledge of the property and interests described in the following Granting Clauses which constitute or may constitute goods, timber to be cut, as extracted collateral or personal property (all of said property and interests described in said Granting Clauses, the "**Mortgaged Property**"):

(a) All right, title and interest in and to the pieces or parcels of land described on Schedule A attached hereto and incorporated herein by reference, whether held in fee or leasehold (the "**Premises**", which includes the Leasehold Premises, as defined below), together

with all improvements, buildings, structures, fixtures of every description and appurtenances now or hereafter located thereon or therein (the "**Improvements**");

(b) All right, title and interest to the rights and reservations of the grantee under any timber deed, timber cutting rights agreement or similar instrument (the "**Leasehold Estate**") in any such timber deed or other agreement as set forth in Schedule A or Schedule A-1, if any, attached hereto (each, a "Timber Deed") and all rights to renew or extend such agreement and as such agreement may be amended, modified restated or extended with the consent of Beneficiary, whether such rights and reservations are deemed to be a lease, easement, timber cutting agreement, timber deed or profit a prendre, as the same affect the land described in said Timber Deed, ("**Leasehold Premises**") including, without limitation, the right to all Timber (as defined below), trees, farm products and other goods (which shall be included in all references to "**Timber**") now or hereafter located on, growing or to be grown on or severed from said land pursuant to said rights and reservations, together with all rights necessary to (i) manage, harvest, cut, remove and sell said timber and trees on said land, including rights necessary to permit the removal of same, including access and egress for such purposes, and the right to construct roads for such purposes, and (ii) to sell stumpage or cutting rights or standing timber (and all rights necessary to permit the removal of same) to third parties (which timber and trees and said rights of access, cutting, removal and road building are herein included in all references to the Premises), together with all rights therein as described herein);

(c) All crops, trees and timber of every size, age, species, kind and description, now or hereafter growing, or to be planted, grown, harvested from, pertaining to and located on the Premises (whether owned or leased), goods, inventory and proceeds thereof, and including, without limitation all property related to nursery operations or replanting and reforestation, seedlings, nursery stock, trees, growing trees, standing timber, timber lying on the ground, timber cut and timber to be cut, severed timber, stumpage, forest products, lumber, pulpwood, and all products and by-products of any timber operations conducted or to be conducted on the Premises, and all proceeds, accounts and general intangibles resulting from the sale of such timber and timber to be cut and timber interests (sometimes collectively referred to herein as "**Timber**");

(d) All farm products, crops, biomass and other organic products now or hereafter growing, standing or lying on, or to be grown, harvested from, pertaining to and located on, the Premises, goods, inventory and proceeds thereof, and all products and by-products of any agricultural operations conducted or to be conducted on the Premises, and all right, title and interest of Grantor in and to any credits, claims, rights or benefits arising from or related to the absorption of carbon dioxide by the trees and other organic plants growing on the Premises, carbon seque, carbon credits, carbon financial instruments or any other benefit by any other name or description, financial or otherwise related to the control or reduction of greenhouse gases, carbon dioxide or any other form of air or atmospheric quality incentives,

whether created or sponsored through legislation of any government, industry arrangements, barter, private market or otherwise, and all proceeds, accounts and general intangibles resulting from the sale of such agricultural products or the sale, issuance, trade, barter or other transactions with any such credits, claims, rights or benefits;

(e) All coal, oil, gas hydrocarbons, gravel, sand, dirt, rock phosphate, clay, limerock and other minerals owned by Borrower and located on, in or under the Premises and extracted or to be extracted, as extracted collateral and all mineral interests, surface rights, mining or drilling rights, and all royalties, proceeds, accounts and general intangibles resulting from the sale of such minerals or mineral interests (sometimes collectively referred to herein as the "**Minerals**") (the Premises, the Improvements, the Minerals, the Easements and the Timber hereinafter sometimes collectively referred to as the "**Real Estate**");

(f) All of Grantor's rights (but not its obligations except as otherwise expressly agreed in writing by Beneficiary) under any and all agreements (including, without limitation, any Timber Deed), subleases, surface leases, licenses, written or oral, and all agreements for any manner of use or occupancy, or exploration, drilling, mining, extraction, storage, transportation, processing and handling of Minerals, and all timber sale agreements, timber cutting agreements, timber purchase agreements or stumpage agreements, timber harvest agreements and other contracts and agreements pursuant to which Grantor has agreed to sell any standing or severed timber, pulpwood or other timber products from the Real Estate, affecting all or any portion of the Real Estate with respect to which the Grantor is the landlord or sublandlord, including, without limitation, that certain Timber Harvest Agreement dated January 1, 2008 by and among LTC, LTLLC and Longtimber Company of Oregon (the "**THA**", and all amendments, extensions, renewals, supplements and replacements of the THA, collectively, the "**Harvest Agreements**"), any and all extensions and renewals of said leases and agreements and any and all further leases or agreements, now existing or hereafter made including subleases thereunder, upon, covering or affecting all or any part of the Real Estate or the Improvements, together with any and all guaranties of the lessee's, any sublessee's, or contracting party's performance thereunder (all such existing or future leases, licenses, subleases, agreements, tenancies, stumpage agreements, timber sale agreements, log or pulpwood sale agreements and all other and similar agreements, contracts, instruments or arrangements as heretofore mentioned, including but not limited to the Harvest Agreements, any use or occupancy arrangements created pursuant to Section 365(h) of Title 11 of the United States Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Estate being hereinafter collectively referred to as the "**Agreements**") and all right, title and interest of Grantor in and to property of any tenant or other person under any such agreement or under any other arrangement entered into in connection with any such agreement, and any and all cash, security deposits, advance rentals and deposits or payments of a similar nature under

any such agreement or other arrangement and together with all money payable thereunder or in connection therewith (including, without limitation, any and all cancellation or termination payments);

(g) The immediate and continuing right to collect and receive all of the rents, income, royalties, receipts, revenues, issues and profits now due or which may become due or to which the Grantor may now or shall hereafter (including during the period of redemption, if any) become entitled or may demand or claim, arising or issuing from or out of any timber contracts, leases, licenses, bills of sale or deeds, the Agreements or from or out of the Real Estate, or any part thereof, including but not limited to any and all rights and claims of any kind that the Grantor may have against any such lessee under the Agreements or against any subtenants, occupants or licenses of the Real Estate or the Improvements, or against the purchaser under any timber deed, cutting agreement or timber sale agreement or coal lease, oil or gas lease, or any other mineral lease or other agreement in any way relating to the coal, oil, gas, Minerals or Timber, (including any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings or any assignment for the benefit of creditors in respect of any tenant or occupant of any portion of the Real Estate and all claims as a creditor in connection with any of the foregoing), all such moneys, rents, rights and claims in this paragraph described being hereinafter referred to as the **"Receipts;"** provided, however, so long as no Event of Default has occurred and is continuing under this Deed of Trust, the Grantor shall have the right under a license granted hereby (but limited as provided below) to collect, receive and retain the Receipts, but no Receipts shall be collected in advance of the due date thereof;

(h) All right, title and interest in and to all water and water rights and royalties, thermal energy and other geothermal resources, development rights, coal, oil, gas and other mineral royalties, profits, proceeds, fees, farm products revenue, hunting lease or other recreational lease revenue and other income of any kind or manner whatsoever arising from or related to operations on or any proceeds, profits or profits a prendre arising from the Real Estate, including income from nursery operations, seedling operations, timber and pulpwood contracts, option agreements, coal, oil, gas or mineral leases, coal tippable leases, hunting, fishing and recreational leases and licenses, option agreements and land sales;

(i) All accounts, accounts receivable, general intangibles, payment intangibles, trade names, trademarks, commercial tort claims, letter of credit rights and proceeds, supporting obligations of every kind and nature, documents, contract rights, construction contracts, commercial paper, notes, drafts, acceptances, instruments, chattel paper, bonuses, actions and rights in action arising from or relating to any such property now owned or hereafter acquired by Grantor which relate to the Real Estate or the proceeds thereof, but not Grantor's obligations thereunder, and all funds and deposit accounts and other accounts into which any

funds of the Grantor are now or hereafter deposited to be held by or on behalf of Beneficiary, including, without limitation, the Defeasance Account or Interest Reserve Account (as each one defined in the Loan Agreement);

(j) All of Grantor's right, title and interest in and to all building materials, supplies and other property now or hereafter stored at or delivered to the Premises or the Improvements, and all fixtures, fittings, furnishings, apparatus, machinery, appliances, equipment, goods, inventory and all other articles of personal property of every nature whatsoever now or hereafter located in or on, or attached to, and used or intended to be used in the connection with the Real Estate or any of the Improvements, or in connection with any operations conducted or intended to be conducted on the Real Estate or with respect to the Improvements, including without limitation with respect to coal, oil, gas or mineral extraction, storage, processing or handling, Timber harvesting and management (collectively, the "Equipment") (all of the Equipment, so far as permitted by law, shall be deemed to be fixtures and part of the Real Estate and of the Improvements);

(k) All of Grantor's right, title and interest in information, data, and files, in whatever form, and all computer software and hardware relating to the Mortgaged Property, including, without limitation: (i) all title records and information, opinions, reports, abstracts of title, maps, mapping systems, land surveys and similar items relating to the Mortgaged Property (ii) current forest inventory data pertaining to the Mortgaged Property providing summary level information by stand, species, component and diameter level and planting records showing seed source and stock type; (iii) geographic information system data relating to elevation, public land surveys, stands, property boundaries, roads, historical harvest units and years of harvest, wildlife threatened and endangered species, thinning, fertilization, and watershed data; (iv) Grantor's road maintenance plan for the Premises; (v) Grantor's watershed analysis for the Premises; (vi) all aerial photographs pertaining to the Premises; (vii) all maps relating to the property; and (viii) Grantor's records relating to the accounting and management functions of the Premises;

(l) All right, title and interest of Grantor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to (1) all streets, roads, railroad rights of way, riparian and littoral rights and public places (whether open or proposed) adjoining or otherwise providing access to the Real Estate, (2) the Real Estate lying in the bed of such streets, roads, railroad rights of way and public places, and (3) all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of Real Estate adjoining or used or intended to be used in connection with all or any part of the Real Estate, Minerals, Timber, Improvements or Equipment or appurtenances thereto;

(m) All easements, rights-of-way, gores of land, ways, riparian rights and rights of use or passage (whether public or private), estates, interests, benefits, powers, rights (including, without limitation, any and all lateral support, drainage, slope, sewer, water, air,

mineral, oil, gas and subsurface rights), privileges, claims, franchises, licenses, profits, rents, royalties, tenements, hereditaments, reversions, remainders and appurtenances of every nature whatsoever, whether appurtenant or in gross, in any way now or hereafter belonging, relating or appertaining to or useful in the operation of all or any part of Real Estate, Minerals, Timber, Improvements or Equipment, whether legal or equitable ("**Easements**");

(n) All right, title and interest of Grantor (but not its obligations except as otherwise expressly agreed in writing by Beneficiary), whether now owned or hereafter acquired, in and to: (1) each and every policy of insurance now or hereafter in effect which insures the Mortgaged Property, or any part thereof, (2) any and all judgments, settlements, claims, awards, insurance proceeds and other proceeds and compensation, and interest thereon, now or hereafter made or payable in connection with any casualty or other damage to all or any part of the Real Estate, Timber, Minerals, Improvements or Equipment or appurtenances thereto, or in connection with any condemnation proceedings affecting any such property or any taking under power of eminent domain (or any conveyance in lieu of or under threat of any such taking) of any such property or any rights thereto or any interest therein, including, without limitation, any and all compensation for any decrease in the value of such property, (3) all inventory and any and all proceeds of any sales, assignments or other dispositions of any such property or any rights thereto or any interest therein (inventory shall mean and include, without limitation, all goods now owned or hereafter acquired and owned from time to time by Grantor which are held for sale or lease or are to be furnished under contracts of service and all goods, materials, raw materials, work in process, finished goods or materials used or consumed in the business of Grantor, which are products of or related to Timber or Minerals), (4) any and all proceeds of any other conversion (whether voluntary or involuntary) of any such property into cash or any liquidated claim, (5) any and all refunds or rebates of or with respect to any insurance premiums and real estate taxes, impositions or levies, and tax credits or benefits or deposits relating thereto, with respect to such property, (6) all contractual and other indemnities, assurances, guaranties and similar agreements, and all rights, benefits and privileges of Grantor in and to any and all contracts relating to operation, maintenance, management or security of any such property), and (7) all investment property, relating to such property, whether now owned or hereafter acquired, including all securities, whether certificated or uncertificated, security entitlements, securities accounts, commodity contracts and commodity accounts;

(o) All right, title and interest of Grantor (whether as seller, purchaser or otherwise), but not its obligations, in and to any and all agreements in the nature of options or for the sale or any other transfer of all or any part of the Mortgaged Property, together with any and all down payments, earnest money deposits and other sums paid or payable or deposited in connection therewith, and all rights which Grantor now has or may hereafter acquire to be indemnified and/or held harmless from any liability, loss, damage, cost or expense (including, without limitation, attorneys' fees and disbursements) relating to the Real Estate or Mortgaged Property or any part thereof;

(p) All rights, hereditaments and appurtenances pertaining to the foregoing; and all other interests of every kind and character that Grantor now has or at any time hereafter acquires in and to the Premises, Improvements, Equipment or the Timber described herein and all property that is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of Grantor with respect to such property;

(q) And including all property and rights of the type and nature set forth above hereafter acquired by Grantor, relating to the Real Estate and any and all further or greater estate, right, title, interest, claim and demand of Grantor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto, including, without limitation, all additional title, estate, interest, and other rights that may hereafter be acquired by Grantor in the property demised under the Timber Deed creating the Leasehold Estate]; and

(r) All other property of any type or kind whatsoever which is owned by Grantor or granted or pledged as collateral for the Secured Obligations under the Loan Agreement or in any other Loan Document now or hereafter signed by Grantor in favor of Trustee or Beneficiary, it being the intention of Grantor to grant Beneficiary a security interest in all of its assets.

(s) All proceeds, products, extensions, additions, improvements, betterments, renewals, reversions, substitutions, replacements, accessions, accretions and relictions of and to all or any part of the Real Estate, Minerals, Timber, Improvements or Equipment and the other property referenced in the foregoing Granting Clauses or encumbered by this Deed of Trust, including, without limitation, all proceeds arising from the sale or other disposition thereof;

SUBJECT, HOWEVER, to the exceptions described in the Loan Agreement as Permitted Encumbrances.

That portion of the Mortgaged Property which constitutes real property or fixtures is sometimes referred to as the **"Real Property Collateral"** and all other Mortgaged Property is sometimes referred to as the **"UCC Collateral"** or the **"Code Collateral"**.

TO HAVE AND TO HOLD the Real Property Collateral, together with the rights, privileges and appurtenances thereto belonging, unto the Trustee and its substitutes or successors, forever, and Grantor hereby binds itself and its heirs, executors, administrators, personal representatives, successors and assigns to warrant and forever defend the Real Property Collateral unto the Trustee, its substitutes or successors and assigns, against the claim or claims of all persons claiming or to claim the same or any part thereof, together with the rights,

privileges and appurtenances thereto belonging, unto the Beneficiary and its successors and assigns, forever, and Grantor hereby binds itself and its heirs, executors, administrators, personal representatives, successors and assigns to warrant and forever defend the Code Collateral unto the Beneficiary, its successors and assigns, against the claim or claims of all persons claiming or to claim the same or any part thereof.

PROVIDED, HOWEVER, that Grantor has granted to Trustee for the benefit of Beneficiary that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Financing Statement on the Mortgaged Property of even date herewith which secures a loan (the "**Loan B**") in the principal amount of \$333,333,334.00 (the "**First Mortgage**") and that certain Second Deed of Trust, Security Agreement, Assignment of Leases and Rents, Fixture Filing and Financing Statement on the Mortgaged Property of even date herewith which secures a loan (the "**Loan A**") in the principal amount of \$333,333,334.00 (the "**Second Mortgage**"), both recorded or to be recorded in the County Records prior hereto, and this Deed of Trust is subject and subordinate to the First Mortgage and the Second Mortgage.

1. LOAN AGREEMENT; NOTE.

This Deed of Trust is being executed pursuant to the terms of that certain Loan Agreement of even date herewith, among Grantor, Longview Timber, Corp. and Longtimber Company of Oregon (the "**Borrowers**") and Beneficiary (as amended, restated or supplemented from time to time, the "**Loan Agreement**"). Any capitalized terms used in this Deed of Trust and not otherwise defined shall have the meanings assigned in the Loan Agreement. Pursuant to the Loan Agreement, the Borrowers including the undersigned Grantor are or hereafter shall be justly indebted in the original principal amount of Three Hundred Thirty-Three Million Three Hundred Thirty-Three Thousand Three Hundred Thirty-Two and No/100 US Dollars (US\$333,333,332.00) (the "**Loan**" or "**Loan C**"), as evidenced by several promissory notes from the Borrowers to each of the Co-Lenders as set forth in the Loan Agreement, in such aggregate amount and of even date herewith, bearing interest as set forth therein and all successive extensions and renewals of the Obligations represented thereby (said notes, as presently constituted and as they may hereafter be amended, extended, renewed or consolidated, together with any and all notes that may hereafter be given in substitution therefor, being hereinafter referred to as the "**Note**" or the "**Notes**"). The Notes, this Deed of Trust, the other documents evidencing or securing the Notes and the Loan Agreement with respect to the Notes and such other documents are herein referred to collectively as the "**Loan Documents**."

The Loan is one of three (3) loans (the "Loans") being made this date pursuant to the Loan Agreement by the Co-Lenders to the Borrowers, each cross-defaulted and cross-collateralized with the others. The First Mortgage secures one of the three Loans ("Loan B"). Loan C is secured by a first mortgage on the primary collateral for Loan C, as well as by junior deeds of trust on the primary collateral for the other two loans, and this Deed of Trust is one of such junior deeds of trust securing Loan C. This Deed of Trust will be recorded after, and will be junior and subordinate in priority to, the First Mortgage and the Second Mortgage. References to the Loan Agreement herein relating to the "Loan" or "Loans" shall be deemed to refer to the Loan Agreement as it relates to the Loan, except as specifically provided otherwise. In certain circumstances where this Loan is assigned and transferred by the Co-Lenders, the Loan Agreement provides that a new loan agreement shall be entered into by the parties to this Loan, and the Loan Agreement and this Deed of Trust may be released by Beneficiary. Grantor hereby irrevocably authorizes Beneficiary to prepare, sign and record, without the signature or approval of Grantor, any such releases as may be desired by Beneficiary, as a result of any such transfer or assignment. Any such releases are not intended to, and shall not be construed to, effect a novation or accord and satisfaction.

1.1 Obligations. This Deed of Trust is made for the following uses and purposes, and is given to secure and shall secure the prompt payment and performance of the following, which Grantor hereby agrees to pay and perform (hereinafter sometimes referred to collectively as the "Obligations" or "Secured Obligations"):

1.1.1 Payment and performance of all of the indebtedness evidenced by the Notes and all other obligations and liabilities under and pursuant to the Notes, including without limitation, payment of the aggregate principal indebtedness evidenced by the Notes, together with interest thereon at the rate or rates specified in the Notes, including without limitation interest at the Defau Rate, as applicable, in accordance with the terms of the Notes, and all premiums payable thereon and all other indebtedness evidenced by the Notes, all of which indebtedness is payable in lawful money of the United States of America;

1.1.2 Any and all sums now or hereafter becoming due and payable by the Grantor to the Beneficiary or the Trustee under the terms of this Deed of Trust, including but not limited to advancements made by the Beneficiary pursuant to the terms and conditions of this Deed of Trust with interest as herein provided and any debt or obligation arising as a result of the breach of any warranty or representation set forth in this Deed of Trust;

1.1.3 Performance and discharge of each and every obligation, promise and agreement of Grantor contained in this Deed of Trust, the Notes, the Loan Agreement with respect to the Notes and this Deed of Trust and the other Loan Documents and in any and all assignments of rents and leases, security agreements, collateral assignments, cash collateral agreements, supplemental agreements and any and all other Loan Documents;

1.1.4 The Obligations as defined in the Loan Agreement;

1.1.5 All renewals and extensions of any or all of the obligations of the Grantor described in the foregoing subsections, whether or not any renewal or extension agreement is executed in connection therewith; and

1.1.6 The payment of all future and additional indebtedness, direct or indirect, created after the date of this Deed of Trust, pursuant to the terms hereof or of the Loan Documents, which may be owing by Grantor (or by any of the persons herein designated under the term "Grantor") to any holder of any of the Notes at any time prior to the payment in full with interest of the Obligations or the foreclosure of this Deed of Trust therefor (the event occurring first to be controlling); such additional indebtedness to be secured hereby regardless of whether it shall be predicated upon future loans or advances hereafter made by the holder(s) of the Notes, or obligations hereafter acquired by such holders through assignment or subrogation or otherwise, or shall represent indirect obligations (created after the date of this Deed of Trust) based upon any endorsements, guaranties or suretyship; and it is agreed that this Deed of Trust shall stand as security for all such future and additional indebtedness whether it be incurred for any business purpose that was related or wholly unrelated to the purpose of the original loan, or whether it was incurred for some personal or nonbusiness purpose, or for any other purpose related or unrelated, or similar or dissimilar, to the purpose of the original loan.

1.2 Future Advances and Other Debts. It is expressly understood that this Deed of Trust is intended to and does secure, not only the indebtedness herein specifically mentioned, but also future advances and any and all other obligations of Borrower to Beneficiary, direct or contingent (including but not limited to obligations incurred as endorser, guarantor or surety), however evidenced or denominated, pursuant to the terms hereof or the Loan Documents, together with repayment obligations and recoupment of expenses incurred by Beneficiary, due and payable under any instrument evidencing or securing Obligations of Borrower to Beneficiary, and interest thereon as provided in the Notes presently or in the future secured hereby or as otherwise provided in the instrument pursuant to which any such obligation is evidenced (all of which future advances and other indebtedness shall be deemed to be included in the definition of "Obligations" and "Secured Obligations" hereunder).

2. GRANTOR'S REPRESENTATIONS, COVENANTS AND WARRANTIES.

In order to induce the Beneficiary and the other Co-Lenders to extend credit to the Grantor, the Grantor represents, covenants and warrants to the Trustee and the Beneficiary that:

2.1 Valid Title, etc. The Grantor has good and marketable title and is lawfully seized of an indefeasible estate in fee simple in and to the Real Property Collateral and other property set forth on Schedule A; and good and marketable title to the UCC Collateral and other personal

property in which a security interest is granted under the Loan Documents; Grantor further has a good right to sell and mortgage, grant a security interest in, and assign, the Mortgaged Property; the Mortgaged Property is free and clear of any deeds of trust, mortgages, liens, encumbrances, assignments or security interests other than Permitted Encumbrances; and the Grantor will forever warrant and defend the title to the Mortgaged Property unto the Trustee and the Beneficiary against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances.

With respect to any Timber Deed, Grantor represents and warrants that (i) the Timber Deed is in full force and effect and has not been modified or amended in any manner whatsoever, (ii) to the best of Grantor's knowledge after diligent inquiry there are no defaults under the Timber Deed and no event has occurred which, but for the passage of time, or notice, or both, would constitute a default under the Timber Deed, (iii) all rents, additional rents and other sums due and payable under the Timber Deed have been paid in full, (iv) neither Grantor nor the landlord under the Timber Deed has commenced any action or given or received any notice for the purpose of terminating the Timber Deed which has not been cured.

This Deed of Trust constitutes a valid and subsisting first priority Deed of Trust and lien on the Mortgaged Property and Grantor shall take all steps necessary to preserve and protect the validity and priority of the first lien on, security interests in, and assignments of, the Mortgaged Property created hereby. The Grantor shall execute, acknowledge and deliver such additional instruments as the Beneficiary may deem necessary in order to preserve, protect, continue, extend or maintain the liens, security interests and assignments created hereby as first liens on, security interests in, and assignments of, the Mortgaged Property, except as otherwise permitted under the terms of this Deed of Trust. If any such lien or security interest is asserted against the Mortgaged Property, Grantor will promptly, at its own cost and expense, (a) pay the underlying claim in full or take such other action so as to cause same to be released, and (b) within fifteen (15) days from the date such lien or security interest is so asserted, give Beneficiary notice of such lien or security interest. Such notice shall specify who is asserting such lien or security interest and shall detail the origin and nature of the underlying claim giving rise to such asserted lien or security interest. Without limiting the generality of the foregoing, Grantor will pay in full all sums owing or claimed for labor, materials, supplies, personal property (whether or not forming a fixture hereunder), and services of every kind and character used, furnished or installed in or on the Mortgaged Property.

2.2 Operation for Permitted Use. Grantor will operate the Mortgaged Property only as a commercial tree farm and will not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, the Mortgaged Property in any manner which violates any provisions governing the use, operation, occupancy or maintenance of the Mortgaged Property set forth in this Deed of Trust, the Loan Agreement, or any of the other Loan Documents.

2.3 Maintenance of Rights of Way, Easements and Licenses. Grantor will maintain, preserve and renew all rights of way, easements, grants, privileges, licenses and franchises reasonably necessary for the use of the Mortgaged Property from time to time. Grantor will not, without the prior written consent of Beneficiary grant, initiate, join in or consent to any private restrictive covenant, easement, or other public or private restriction as to the use of the Mortgaged Property, or any condominium declaration, plat or other document having the effect of subjecting the Mortgaged Property to the condominium or cooperative form of ownership. Grantor shall, however, comply with all easements, servitudes and restrictive covenants which may at any time affect the Mortgaged Property, zoning ordinances and other public or private restrictions relating to the use of the Mortgaged Property.

3. COVENANTS AND AGREEMENTS OF GRANTOR.

The Grantor covenants and agrees that, until the Obligations are paid in full and this Deed of Trust is satisfied in writing by the Beneficiary:

3.1 Payment of Taxes and Other Assessments. The Grantor will pay before delinquent all real estate taxes and assessments assessed or levied on the Mortgaged Property and all severance, harvesting or any other governmental charges or impositions, and all interest, penalties and costs associated therewith, general and special, ordinary and extraordinary, foreseen or unforeseen, of any kind or nature whatsoever that at any time may be assessed, levied, imposed or become a lien upon the Mortgaged Property or any part thereof. Grantor will fulfill all of its obligations in connection with the payment of such taxes and other assessments as more fully set forth in the Loan Agreement.

3.2 Insurance.

3.2.1 The Grantor shall keep or cause to be kept insurance with respect to the Mortgaged Property in accordance with the Loan Agreement.

3.3 Compliance with Law. The Grantor shall comply or cause compliance with all applicable laws, ordinances, regulations, covenants, conditions and restrictions affecting the Mortgaged Property, and shall obtain any and all licenses, permits, franchises or other governmental authorizations necessary to the ownership of the Mortgaged Property or the conduct of its business, and Grantor shall not suffer nor permit any act to be done in or upon the Mortgaged Property in violation thereof.

3.4 Waste, Demolition, Alteration or Replacement and Preservation and Use of Collateral. The Grantor shall cause the Mortgaged Property and every part thereof to be maintained, preserved and kept in a manner consistent with the permitted use and in compliance with the terms of the Loan Agreement, normal wear and tear excepted (subject to damage by casualties) shall not commit or permit waste thereon, and shall from time to time make all necessary and proper repairs, renewals, additions and restorations thereto so that the value and efficient use thereof shall be fully preserved and maintained. Upon any material failure to maintain the Mortgaged Property in accordance with the provisions of the Loan Agreement and this Deed of Trust, and after notice to Grantor of such failure, which is not cured by Grantor within thirty (30) days of receipt of such notice, Beneficiary, at its option, may enter the Mortgaged Property and cause reasonable repair and maintenance work to be performed at the cost of Grantor.

3.5 Protection of Security. Beneficiary may appear in and defend any action or proceeding purporting to affect the security hereof and may bring any action or proceeding, in its own name or in the name of and on behalf of Grantor, which Beneficiary shall decide should be brought to protect its interests in the Mortgaged Property, including, without limitation, any material title defect or claim, and Grantor shall pay all reasonable costs and expenses, including reasonable costs of evidence of title and attorneys' fees incurred by Beneficiary in connection with any such actions or proceedings.

3.6 Timber Management and Harvest Provisions. Grantor shall comply or cause compliance with all of the covenants and restrictions regarding the management and harvesting of Timber and the management, extraction, processing and handling of coal, oil, gas or other minerals located or stored on the Mortgaged Property in accordance with the terms and conditions of the Loan Agreement.

3.7 Assignment of Receipts and Profits.

3.7.1 Grantor does hereby assign to Beneficiary as security for the Secured Obligations all of its right, title and interest in all Agreements and Receipts and all proceeds from the sale, cancellation, surrender or other disposition of the Agreements. Such assignment to Beneficiary shall not be construed to bind Beneficiary to the performance of any of the covenants, conditions or provisions contained in any such Lease or otherwise to impose any obligation upon Beneficiary. Grantor agrees to execute and deliver to Beneficiary such additional instruments in form and substance satisfactory to Beneficiary, as may hereafter be reasonably requested by Beneficiary to further evidence and confirm such assignment. Nevertheless, subject to the terms of this Section, Beneficiary grants to Grantor a revocable license to collect the Receipts. Upon the occurrence of an Event of Default, the license granted to Grantor herein shall be automatically revoked and Beneficiary shall immediately be entitled to receive all Receipts and to exercise or enforce, or seek to exercise or enforce, or avail itself of,

any and all of the rights, powers, privileges, authorizations or benefits assigned and transferred to Beneficiary hereunder, whether or not Beneficiary enters upon or takes control of the Mortgaged Property. Beneficiary is hereby granted and assigned by Grantor the right, at its option, upon the revocation of the license granted herein to enter upon the Mortgaged Property in person, by agent or by court-appointed receiver to collect the Receipts. Any Receipts collected after the revocation of the license herein granted may be applied toward payment of the Obligations in such priority and proportion as Beneficiary, acting reasonably, shall deem proper. It is further the intent of Grantor and Beneficiary that the Receipts hereby absolutely assigned are no longer, during the term of this Deed of Trust, property of Grantor or property of any estate of Grantor as defined in Section 541 of the Bankruptcy Code. The term "Receipts" as used herein shall mean the gross receipts without deduction or offsets of any kind.

3.7.2 The lien, security interest and pledge of the Receipts is deemed perfected upon the recording of this Deed of Trust and that the forwarding of a notice to Grantor and/or the other parties to such Agreements after the occurrence of an Event of Default, advising Grantor of the revocation of Grantor's license to collect such Receipts, shall be sufficient action by Beneficiary to (1) enforce the perfected lien on or security interest in or pledge of the Receipts, (2) take possession thereof and (3) entitle Beneficiary to immediate and direct payment of the Receipts, for application as provided in this Deed of Trust, all without the necessity of any further action by Beneficiary, including, without limitation, any action to obtain possession of the Mortgaged Property or any portion thereof.

3.7.3 All Agreements executed after the date of this Deed of Trust, except as provided in the Loan Agreement, shall provide that they are subordinate to this Deed of Trust and that the lessee agrees to attorn to Beneficiary; provided, however, that nothing herein shall affect Beneficiary's right to designate from time to time any one or more Agreements as being superior to this Deed of Trust and Grantor shall execute and deliver to Beneficiary and shall cause to be executed and delivered to Beneficiary from each tenant under such Lease any instrument or agreement as Beneficiary may deem necessary to make such Lease superior to this Deed of Trust.

3.7.4 Grantor shall not, without the prior written consent of Beneficiary or in accordance with the terms and conditions of the Loan Agreement, enter into any lease, licenser agreement for all or any significant portion of the Real Property Collateral. At any time that Grantor shall enter into an Agreement, Grantor shall, at the request of Beneficiary, cause the other parties thereto, and any Guarantor thereunder to execute and deliver to Beneficiary a Consent and Agreement in the form then currently being generally used by Beneficiary.

3.7.5 With respect to any Agreement (other than as provided in the Loan Agreement), (a) Grantor shall not, without the prior written consent of Beneficiary: (i) alter, amend, change or waive the terms of any such Agreement or cancel, terminate, abridge, release a

party thereto or otherwise modify the terms of any such Agreement, whether by written document, course of dealing or otherwise, (ii) consent to any assignment of or subletting under any such Agreement, (iii) cancel, terminate, abridge or otherwise modify any guaranty of any such Agreement or the terms thereof, or (iv) collect or accept prepayments of installments of Receipts in advance of the due date thereof, (b) Grantor shall enforce (not including termination) at its cost and expense the obligations of the other parties under the Agreements and the obligations of any Guarantor under any Guarantee, to the full extent thereof, and (c) Grantor shall not, without the prior consent of Beneficiary, further assign the whole or any part of any such Agreement or the Receipts therefrom.

3.7.6 With respect to each Agreement Grantor shall (i) observe and perform each and every provision thereof on Grantor's part to be fulfilled or performed under each Agreement and not do or permit to be done anything to impair the value of the Agreement as security for the Loan, including surrender or voluntary termination of any Lease, (ii) promptly send to Beneficiary copies of all notices of default which Grantor shall send or receive thereunder, (iii) enforce all of the terms, covenants and conditions contained in each Agreement, (iv) execute and deliver, at the request of Beneficiary, all such further assurances, confirmations and assignments in connection with the Mortgaged Property as Beneficiary shall, from time to time, require, and (v) upon request, furnish Beneficiary with executed copies of all Agreements, and (vi) not perform any act or execute any other instrument that might prevent Beneficiary from enjoying and exercising any of its rights and privileges evidenced hereby. Grantor shall from time to time upon request of Beneficiary, deliver to Beneficiary a list of all Agreements, with terms, rent, payments, information on all parties and other information required by Beneficiary which shall be certified as true and correct by Grantor.

3.7.7 Grantor hereby indemnifies and holds Beneficiary harmless from and against any all liability, loss, cost, damage, or expense which Beneficiary may incur by reason of this assignment of rents and leases, or for any action taken by Beneficiary hereunder, or by reason or in defense of any and all claims and demands whatsoever which may be asserted against Beneficiary arising out of the leases or with respect to the rents regardless of whether the claims or causes of action of whatever nature are founded in whole or in part upon the negligence (either act or omission) of Beneficiary except to the extent they arise out of the gross negligence or willful misconduct of Beneficiary. In the event Beneficiary incurs any such liability, loss, cost, damage, or expense, the amount thereof, together with all reasonable attorneys' fees will be payable by Grantor immediately without demand and will be deemed a part of the Obligations secured hereby.

3.7.8 Beneficiary's acceptance of this assignment shall not, prior to entry upon and taking possession of the Mortgaged Property by Beneficiary, be deemed to constitute Beneficiary a "mortgagee in possession," nor obligate Beneficiary to appear in or defend any proceeding relating to any of the Agreements or to the Mortgaged Property, take any action

hereunder, expend any money, incur any expenses, or perform any obligation or liability under the Agreements, or assume any obligation for any deposits delivered to Grantor by any lessee and not delivered to Beneficiary. Beneficiary shall not be liable for any injury or damage to person or property in or about the Mortgaged Property. This Section 3 shall not place responsibility upon Beneficiary for control, care, management or payment of taxes with respect to any property which is the subject of the Agreements or make Beneficiary responsible or liable for any negligence in the management, operation, or control of said property resulting in any loss or damage.

3.7.9 Grantor hereby irrevocably authorizes and directs the parties under the Agreements to pay all Receipts to Beneficiary upon written demand by Beneficiary, without further consent of Grantor and regardless of whether Beneficiary has taken possession of any other portion of the Mortgaged Property, and the tenants may rely upon any written statement delivered by Beneficiary to the tenants. Any such party is hereby authorized by Grantor to rely upon and comply with any notice or demand by the Beneficiary for the payment to the Beneficiary of any amounts that may be or become due under the Agreement to which it is a party, or for the performance of any obligations under such Agreement. Grantor agrees that any party following such instructions from Beneficiary shall not be liable to Grantor or any person claiming under Grantor, for making any payment or rendering any performance to Beneficiary. No party shall have any obligation or right to inquire whether any default has actually occurred or is then existing. **BY ITS EXECUTION OF THIS DEED OF TRUST, GRANTOR AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS ANY PARTY FROM ANY LOSS, DAMAGE OR CLAIM ARISING FROM SUCH PARTY MAKING ANY PAYMENT OR TAKING ANY ACTION IN RELIANCE UPON THE TERMS HEREOF.** Beneficiary agrees that it shall not exercise its rights under this Section 3.7.9 except after occurrence of a Default Condition or Event of Default.

3.7.10 Upon the occurrence of a material default by any party under any Agreement or a default by Grantor thereunder (a "Default Condition") which continues for thirty (30) days after such occurrence or such shorter period as may be required under the Agreement involved, or an Event of Default, Beneficiary shall have the right at its option to enforce and to exercise any or all of its rights hereunder or otherwise, whether or not Beneficiary has possession of the property which is the subject of the Agreement, and without notice to Grantor, and shall have the immediate and continuing right to cause Grantor to make and deliver, or to make and deliver on behalf of Grantor, any and all timber deeds, releases, bills of sale or other documents required thereunder, to collect and receive all sums which may become due to Grantor or to which Grantor is now or shall hereafter become entitled or may demand or claim, arising from or out of any such Agreements, to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the Agreements and to do any and all other things whatsoever which Grantor is, or may become, entitled to do under any Agreements in order to realize fully the rights, entitlements and benefits of Grantor thereunder, including

without limitation, the right and authority to (i) demand, sue for, receive, collect all amounts that may be or become payable to Grantor under the Agreements; (ii) exercise and enforce by suit or otherwise compliance with and any remedies for non-compliance, with respect to other parties to the Agreements for breaches of the terms and conditions of the Agreements; (iii) compromise or give acquittance for amounts due under the Agreements; (iv) take any action or actions or institute, appear in and defend any proceedings which Beneficiary may deem to be necessary or advisable in connection with the Agreements; (v) delegate any and all rights and powers given to Beneficiary by this Deed of Trust; and (vi) use such measures, legal or equitable, and take such actions, as in its sole discretion, may be necessary to perform the obligations of Grantor under the Agreements or carry out and effectuate the provisions of this Deed of Trust. All such actions shall be taken at the expense of the Grantor, and Grantor agrees to reimburse Beneficiary for all amounts expended, including legal and other professional fees, together with interest thereon from the date of expenditure at the Default Rate stated in the Notes, upon demand, which amounts shall be secured hereby. Further, Beneficiary shall have full power and authority, and Grantor does hereby constitute Beneficiary as Grantor's true and lawful attorney-in-fact, irrevocably, with full power (in the name of Grantor, or otherwise), coupled with an interest, whether or not Beneficiary has taken possession of the property which is the subject of the Agreements, to take any or all of the above actions.

3.7.11 Grantor shall keep Beneficiary reasonably informed as to the status of the Agreements and the compliance by the parties thereto with their respective obligations thereunder. Grantor shall give Beneficiary copies of any notices or communications of a material substantive nature to or from any other party to the Agreements, including, without limitation, any such notices or communications claiming any default, breach or violation by any party thereto.

3.8 Transfer or Further Encumbrance of the Collateral.

3.8.1 Grantor shall not, without the prior written consent of Beneficiary, or in accordance with the Loan Agreement, sell, convey, alienate, mortgage, encumber, pledge or otherwise transfer the Mortgaged Property or any part thereof, or permit or suffer the Mortgaged Property or any part thereof to be sold, conveyed, alienated, mortgaged, encumbered, pledged or otherwise transferred. A sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property within the meaning of this Section and as set forth in the Loan Agreement shall be deemed to include (i) an installment sales agreement wherein Grantor agrees to sell the Mortgaged Property or any part thereof for a price to be paid in installments, (ii) an agreement by Grantor leasing all or a substantial part of the Mortgaged Property or a sale, assignment or other transfer of, or the grant of a security interest in, Grantor's right, title and interest in and to any Agreements or any Receipts, or (iii) the voluntary or involuntary sale, conveyance, encumbrance, pledge, hypothecation, dilution or transfer of any direct or indirect

ownership or beneficial interest in Grantor, or a change in control of Grantor, which is not permitted under the Loan Agreement.

3.8.2 Beneficiary shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Secured Obligations immediately due and payable upon Grantor's default under Section 3.8.1. This provision shall apply to every default under Section 3.8.1, regardless of whether voluntary or not. Any sale, conveyance, alienation, mortgage, encumbrance, pledge or transfer of the Mortgaged Property made in contravention of this Section shall constitute an Event of Default, and, at the option of Beneficiary, shall be null and void and of no force and effect.

3.8.3 Any purchaser, transferee or future ground lessee of a substantial portion of the Mortgaged Property pledged and assigned herein shall be deemed to have assumed and agreed to pay the Secured Obligations and to have assumed and agreed to be bound by and to keep, observe, perform and comply with all covenants, agreements, conditions and provisions of this Deed of Trust (including, without limitation, the terms of this Section) unless Beneficiary specifically agrees in writing to the contrary. Without limiting the generality of the foregoing, each such purchaser, transferee, lessee, pledgee and assignee shall be deemed to have made and agreed to each waiver, consent, authorization, direction and appointment made by or agreed to by Grantor under this Deed of Trust. Grantor agrees that, in the event ownership of all or any part of the Mortgaged Property becomes vested in a person other than Grantor, Beneficiary may, without notice to Grantor, deal in any way with such successor or successors in interest with reference to this Deed of Trust, the other Loan Documents and the Obligations, without in any way vitiating or discharging Grantor's liability with respect thereto. Any such purchaser, transferee, lessee, pledgee or assignee shall confirm the above in writing at the request of Beneficiary and shall furnish any other performance or documentation required by Beneficiary. No sale, conveyance, transfer, pledge, encumbrance, assignment or lease referred to in the immediately preceding Section, and no forbearance, extension or assumption by or to any person with respect to the Obligations or any of the Loan Documents, shall operate to release, discharge, modify, change or affect the liability of Grantor, either in whole or in part, unless Beneficiary specifically agrees in writing to the contrary.

3.9 Inspection. Grantor agrees that Beneficiary and/or its agents and independent contractors, shall have the right to the extent permitted hereunder to enter the Mortgaged Property at reasonable times and intervals, to inspect and test the Mortgaged Property, for the purpose of determining whether Grantor is in compliance with the provisions of this Deed of Trust and the other Loan Documents.

3.10 Security Agreement, Financing Statements and Fixture Filing.

3.10.1 This Deed of Trust is a real property Deed of Trust and a "security agreement" and a "financing statement" and a "fixture filing" within the meaning of the Commercial Code in effect in the State in which the Premises are located (the "Code"). The Mortgaged Property includes both real and personal property, including timber to be cut, as-extracted collateral and goods, including goods which are or are to become fixtures, and all other rights and interests, whether tangible or intangible in nature, of Grantor in the Mortgaged Property. Grantor, by executing and delivering this Deed of Trust grants to Beneficiary, as security for the Obligations, a security interest in and lien upon the Code Collateral and in all other Mortgaged Property to the full extent that the Code Collateral and such other Mortgaged Property may be subject to the Code. Beneficiary, by accepting this Deed of Trust, agrees to and enters into this Security Agreement. This Deed of Trust shall also constitute a fixture filing and a financing statement covering goods and inventory, including goods that are to become fixtures and a financing statement covering timber to be cut and as-extracted collateral, for the purposes of the Code, and is to be filed in the Official Records of each County where any Code Collateral may be found. A carbon, photographic or other reproduction of this Deed of Trust or of any financing statement relating to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referred to in this Section. For purposes of this Section, the Grantor is the "Debtor" and the Beneficiary is the "Secured Party," as these terms are defined in the Code, insofar as this Deed of Trust constitutes a financing statement, and the addresses of the Debtor and Secured Party, the identification of the Debtor which is the record owner of each premises described on attached Schedule A and the organizational number of each Debtor are listed below. Information concerning the security interests herein granted in the Code Collateral may be obtained from Beneficiary upon request at the address given herein.

3.10.2 Because this Deed of Trust also constitutes a UCC financing statement and fixture filing, the following information is included herein, and Grantor represents and warrants the truth and accuracy thereof:

- (a) The name of the Debtor is Longview Timberlands LLC.
- (b) The mailing address of Debtor is c/o Longview Fibre Company, 10 International Way, Longview, Washington 98632.
- (c) The type of organization of Debtor is limited liability company.
- (d) The jurisdiction of organization of Debtor is Delaware.
- (e) The organizational identification number of Debtor is 4328011.
- (f) The name of Secured Party is Metropolitan Life Insurance Company, for itself and as Collateral Agent.

(g) The mailing address of Secured Party is 6750 Poplar Avenue, Suite 109, Memphis, Tennessee 38138.

(h) This financing statement covers the following collateral: The real and personal property, including timber to be cut, as-extracted collateral, goods, including goods which are or are to become fixtures, fixtures, and all other rights and interests of Debtor in the Mortgaged Property, more particularly described in the granting clauses above, which relate to the real property more particularly described on Schedule A attached hereto and made a part hereof. [If the Debtors do not have an interest of record in the real estate, the name of the record owner is provided on Schedule A.

(i) This financing statement is to be recorded in the real estate records.

(j) The address of Debtor's chief executive office and principal place of business is c/o Longview Fibre Company, 10 International Way, Longview, Washington 98632, and the location of Debtor under the Code is Delaware.

(k) With the exception of inventory in transit, all tangible (corporeal) assets comprising the Code Collateral are situated on the Real Estate.

3.10.3 The following covenants are made in connection with the UCC Collateral:

(a) Grantor shall prevent any Code Collateral from being or becoming an accession to any property not subject to security interests created by this Deed of Trust.

(b) From time to time hereafter at the request of Beneficiary, Grantor shall deliver to Beneficiary up to date schedules of any items of Code Collateral.

(c) Grantor shall not change its name, its mailing address, its state of organization, its form of organization, its state-issued organizational identification number or the location of its chief executive office without giving at least thirty (30) days prior written notice to Beneficiary.

(d) If any Code Collateral is at any time in the possession of a bailee, the Grantor shall promptly notify the Beneficiary thereof and, if requested by the Beneficiary, shall promptly obtain an acknowledgement from the bailee, in form and substance satisfactory to the Beneficiary, that the bailee holds such UCC Collateral for the benefit of the Beneficiary and shall act upon the instructions of the Beneficiary, without the further consent of the Grantor.

3.10.4 Without limiting the other remedies set forth herein, on the happening of any Event of Default or at any time thereafter, the Beneficiary shall have and may exercise with respect to the personal property and other non-real estate collateral included in the UCC Collateral, all rights, remedies and powers of a secured party under the Code with reference to the UCC Collateral or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the UCC Collateral and any part or parts thereof in any manner to the fullest extent authorized or permitted under the Code after default hereunder, without regard to preservation of the UCC Collateral or its value and without the necessity of a court order. The Beneficiary shall have, among other rights, the right to take possession of the UCC Collateral and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Beneficiary, at its option and its sole discretion, to repair, restore or otherwise prepare the UCC Collateral for sale, lease or other use or disposition. At the Beneficiary's request, the Grantor, at Grantor's expense, shall assemble the UCC Collateral and make the UCC Collateral available to the Beneficiary at any place designated by the Beneficiary. To the extent permitted by law, the Grantor expressly waives any notice of sale or any other disposition of the UCC Collateral and any rights or remedies of the Beneficiary with respect to, and the formalities prescribed by law relative to, the sale or disposition of the UCC Collateral or to the exercise of any other right or remedy of the Beneficiary existing after default. To the extent that such notice is required and cannot be waived, the Grantor agrees that if such notice is given to the Grantor in accordance with the provisions of Section 5.8 below, at least ten (10) days before the time of the sale or other disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving said notice. Grantor shall pay to Beneficiary on demand any and all reasonable expenses, including reasonable legal expenses and attorneys' fees and disbursements, incurred or paid by Beneficiary in protecting its interest in the Code Collateral and in enforcing its rights hereunder with respect to the Code Collateral. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Code Collateral sent to Grantor in accordance with the provisions hereof at least ten (10) days prior to such sale, disposition or action shall constitute reasonable notice to Grantor. The proceeds of any disposition of the Code Collateral, or any part thereof, may be applied by Beneficiary to the payment of the Obligations in such priority and proportions as Beneficiary in its discretion shall deem proper.

3.10.5 The Grantor hereby irrevocably authorizes the Beneficiary at any time and from time to time to file in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the UCC Collateral as being assets of the Grantor or words of similar effect, regardless of whether any particular asset comprised in the UCC Collateral falls within the scope of Article 9 of the Uniform Commercial Code of such jurisdiction, or with greater detail, and (b) contain any other information required by part 5 of Article 9 of the Uniform Commercial Code of the state where this Deed of Trust is recorded for

the sufficiency or filing office acceptance of any financing statement or amendment, including (i) whether the Grantor is an organization, the type of organization and any organization identification number issued to the Grantor and, (ii) in the case of a financing statement filed as a fixture filing or indicating Code Collateral that is as-extracted collateral or timber to be cut, a sufficient description of real property to which the Code Collateral relates and, if the Grantor does not have an interest of record in the real property, provide the name of the record owner. The Grantor agrees to furnish any such information to the Beneficiary promptly upon request. The Grantor also ratifies its authorization for the Beneficiary to have filed in any Uniform Commercial Code jurisdiction any like initial financing statements or amendments thereto if filed prior to the date hereof. Grantor shall promptly execute, file and record, at its sole cost and expense, such Code forms as are necessary to maintain the validity and priority of the lien of Beneficiary upon and security interest in the Code Collateral. In addition, Grantor shall promptly execute, file and record such additional Code forms or continuation statements and further assurances as Beneficiary shall deem necessary to insure the attachment, perfection and first priority of, and the ability of Beneficiary to enforce, the Beneficiary's security interest in any and all of the Code Collateral, and shall pay all expenses and fees in connection with the filing and recording thereof. Grantor hereby grants to Beneficiary an irrevocable power of attorney, coupled with an interest, to file with the appropriate public office on its behalf any financing or other statements signed only by Beneficiary, as secured party, in connection with the Code Collateral covered by this Deed of Trust.

3.10.6 For avoidance of doubt it is expressly understood and agreed that any terms included in the description of Code Collateral shall refer to any definitions thereof in the Code, as the same may be revised from time to time, it being the intention of the parties hereto that the description of Code Collateral set forth herein be construed to include the broadest possible range of property and assets.

3.11 Personal Property. Except as permitted by the Loan Agreement and the other Loan Documents, that portion of the Mortgaged Property consisting of personal property and equipment, shall be owned by Grantor and shall not be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of such property is held by any person or entity other than Grantor nor shall Grantor create or suffer to be created any security interest, other than a Permitted Lien, covering any such property as it may from time to time be replaced, other than the security interest created herein.

3.12 Subrogation. To the extent permitted by law and the provisions of the Loan Agreement, Beneficiary shall be subrogated, notwithstanding their release of record, to any mechanic's or vendor's lien or liens, superior titles, mortgages, deeds of trust, liens, encumbrances, rights, equities, and charges of all kinds heretofore or hereafter existing on the Real Estate to the extent that the same are paid or discharged by Grantor, or by Beneficiary,

whether or not from the proceeds of the Notes; provided, however, this Section shall not be deemed or construed to obligate Beneficiary to pay or discharge the same.

3.13 Condemnation. Immediately upon Grantor's obtaining knowledge of the institution of any proceeding for the condemnation of, or for the exercise of the right of eminent domain with respect to, the Mortgaged Property, or any part thereof, Grantor shall notify Beneficiary of such fact. Grantor shall then file or defend its claim thereunder and prosecute and/or negotiate same with due diligence to its final disposition or settlement, subject to the reasonable review and approval of the actions of Grantor in connection with such proceeding, and shall pay or cause to be paid over to Beneficiary for disposition pursuant to the terms of this Deed of Trust any awards or settlements. Grantor may be the nominal party in such proceeding, but Beneficiary shall be entitled to participate in and to control same and to be represented therein by counsel of its own choice, and Grantor will deliver, or cause to be delivered, to Beneficiary such instruments as may be requested by Beneficiary from time to time to permit such participation. If the Mortgaged Property is taken or diminished in value, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Grantor by virtue of its interest in the Mortgaged Property shall be, and by these presents is, assigned, transferred and set over unto Beneficiary subject to the lien and security interest of this Deed of Trust, and if paid to Beneficiary in accordance with this Section may, at the Beneficiary's election, but subject to the provisions of the Loan Agreement, be used in any one or more of the following ways: (a) apply the same in the manner set forth in the Notes and the Loan Agreement, it being understood that any condemnation shall be subject to the SDTV and TDTV tests under the Loan Agreement, so that any award, as well as additional amounts, may be required to be used to prepay the Loan, which prepayments shall be subject to the prepayment premium provisions of the Notes; (b) use the same or any part thereof to perform or discharge any of the Obligations; (c) use the same or any part thereof to restore, repair or replace the Mortgaged Property to a condition satisfactory to the Beneficiary (with the disbursement of such funds being made in accordance with the procedures approved by Beneficiary); or (d) release the same to Grantor. Subject to the foregoing, Beneficiary is empowered to collect and receive the proceeds of any condemnation or eminent domain award or settlement; Grantor hereby irrevocably appoints Beneficiary as Grantor's attorney-in-fact (coupled with an interest) to collect and receive such proceeds. Beneficiary shall not be obligated to collect, and shall not be liable for failure to collect, any such proceeds.

3.14 Environmental Covenants. In the event Grantor shall fail to provide to Beneficiary any environmental assessment, audit or update or shall fail to remove or remediate any toxic or hazardous substances as required under the Loan Agreement, Grantor grants to Beneficiary and its employees and agents an irrevocable and non-exclusive license subject to the rights of tenants to enter the Mortgaged Property to conduct testing to remove or remediate any such toxic or hazardous substances and the costs of such testing and removal shall immediately be due and payable by the Grantor upon demand by Beneficiary together with interest at the

Default Rate and shall be secured by this Deed of Trust. Grantor covenants and agrees that it shall comply with all terms and conditions of the Loan Agreement relating to environmental matters, including, without limitation, all Environmental Protection Laws which are applicable to the Mortgaged Property, except as expressly provided in the Loan Agreement, and shall not permit the Mortgaged Property to be used for a mine, landfill, dump or other disposal facility and shall not permit any underground storage tanks of any kind or character on the Mortgaged Property and shall not permit the presence on the Mortgaged Property of any hazardous substances in violation of any environmental protection law.

3.15 HOLD HARMLESS. GRANTOR WILL DEFEND, AT ITS OWN COST AND EXPENSE, AND HOLD BENEFICIARY AND THE OTHER CO-LENDERS HARMLESS FROM, ANY ACTION, PROCEEDING OR CLAIM AFFECTING BENEFICIARY OR THE OTHER CO-LENDERS, THE COLLATERAL OR THE LOAN DOCUMENTS, OR RESULTING FROM OR ARISING OUT OF THE FAILURE OF GRANTOR TO PERFORM OR DISCHARGE THE OBLIGATIONS OR OTHERWISE TO COMPLY WITH THE PROVISIONS OF THE LOAN DOCUMENTS, INCLUDING ANY ACTIONS TAKEN BY BENEFICIARY UNDER SECTION 4.3 BELOW NOTWITHSTANDING THE SOLE, CONCURRENT OR COMPARATIVE NEGLIGENCE OF BENEFICIARY, AND ALL COSTS AND EXPENSES INCURRED BY BENEFICIARY IN PROTECTING ITS INTERESTS HEREUNDER (INCLUDING ALL COURT COSTS AND ATTORNEYS' FEES) SHALL BE BORNE BY GRANTOR, PROVIDED THAT GRANTOR SHALL HAVE NO OBLIGATION TO DEFEND OR INDEMNIFY BENEFICIARY OR THE OTHER CO-LENDERS WITH RESPECT TO THE CONSEQUENCES OF BENEFICIARY'S OR THE OTHER CO-LENDERS' GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

4. DEFAULT AND REMEDIES.

4.1 Events of Default. The term "Event of Default," as used in this Deed of Trust, shall mean the occurrence or happening, at any time and from time to time, of an "Event of Default" under the Loan Agreement, or any of the other Loan Documents, or any one or more of the following:

4.1.1 (i) Failure to make payment of any scheduled installment of interest or principal under the Notes on or before the date which is four (4) days after the due date, (ii) failure to make payment of partial prepayment of principal under the Notes and any premium thereon on or before the date due, (iii) failure to make payment of the entire indebtedness under the Notes and any premium thereon on or before the applicable maturity or due date, or (iv) failure or neglect by Grantor to pay, perform, keep or observe any of the Obligations, with the same notice and/or grace period requirements, if any, with respect to each such failure or neglect as are expressly set forth in Section 7.1 of the Loan Agreement;

4.1.2 If Grantor shall cause or permit any default in the performance of or compliance with the Section hereof entitled "Transfer or Further Encumbrance of the Collateral;"

4.1.3 A default or event of default (as defined therein) or commencement of a foreclosure shall exist or occur under any other mortgage, deed of trust or other instrument encumbering all or any portion of the Mortgaged Property (whether superior or junior to this Deed of Trust and the lien hereof), in favor of a party other than Beneficiary, regardless of whether or not the creation of such mortgage, deed of trust or other encumbrance has been previously consented to by Beneficiary (without hereby implying Beneficiary's consent to the existence, placing, creating or permitting of any such lien or security interest);

4.1.4 Without the prior written consent of Beneficiary, Grantor grants any easement or dedication, files any plat, condominium declaration, or restriction, or otherwise encumbers the Mortgaged Property, unless such action is expressly permitted by the Loan Agreement or consented to in writing by Beneficiary;

4.1.5 The dissolution, liquidation or termination of Grantor, except as permitted under the Loan Agreement, or Grantor's failure to maintain good standing in the States of Delaware, Washington and Oregon; or

4.1.6 Any default by the grantor shall occur, or any foreclosure or other enforcement action shall be commenced, under or with respect to the First Mortgage or Second Mortgage or any Additional Deed of Trust.

4.2 Rights and Remedies of the Beneficiary Upon Default.

4.2.1 Upon the occurrence and during the continuance of an Event of Default, Beneficiary may, at its option and without demand upon or notice to the Grantor, declare all or any part of the Obligations to be immediately due and payable, whereupon all such Obligations shall become due and payable, without presentment, demand, protest or notice of any kind, all of which are hereby expressly waived by the Grantor (provided, that all Obligations shall be automatically due and payable upon an Event of Default described in either Section 7.1.9 or Section 7.1.10 of the Loan Agreement, and the Beneficiary may immediately enforce payment of all such amounts and may exercise any or all of its rights and remedies under this Deed of Trust, the Notes, any of the other Loan Documents and applicable law and equity). The Grantor also waives any and all rights the Grantor may have to a hearing before any judicial authority prior to the exercise by the Beneficiary of any of its rights under this Deed of Trust, the Notes, any of the other Loan Documents and applicable law.

4.2.2 If an Event of Default shall have occurred and be continuing, Grantor, upon demand of Beneficiary, shall forthwith surrender to Beneficiary the actual possession, and

if and to the extent permitted by law, Beneficiary may enter and take possession, of all the Mortgaged Property, and may exclude Grantor and its agents and employees wholly therefrom.

4.2.3 If an Event of Default shall have occurred and be continuing, Beneficiary, as a matter of right and without notice to Grantor or anyone claiming under Grantor, and without regard to the then value of the Mortgaged Property or the interest of Grantor herein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Property, and Grantor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the powers and duties available to receivers under law and all the powers and duties of Beneficiary in case of entry as provided above and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Property unless such receivership is sooner terminated.

4.2.4 If an Event of Default shall have occurred and be continuing, Beneficiary may, in person or by agent or by a receiver appointed by a court, with or without bringing any action or proceeding and without regard to the adequacy of its security, the solvency of Grantor or the existence of waste, enter upon and take possession of the Mortgaged Property, or any part thereof, in its own name or in the name of Trustee, and do any acts that it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Property, or part thereof or interest therein, to increase the income therefrom or to protect the security hereof; and, with or without taking possession of the Mortgaged Property, sue for or otherwise collect the Receipts, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including attorneys' fees, upon any indebtedness secured by this Deed of Trust, all in such order as Beneficiary may determine. The entering upon and taking possession of the Mortgaged Property, and the collection of such Receipts and the application thereof, as aforesaid shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Property and/or the collection, receipt and application of Receipts, Trustee or Beneficiary shall be entitled to exercise every right provided for in any of the Loan Documents or by law upon occurrence of any Event of Default, including any right to exercise the power of sale;

4.2.5 If an Event of Default shall have occurred and be continuing, Beneficiary may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or any other appropriate proceeding or remedy (a) to enforce payment of the Loan Documents or the performance of any term thereof or any other right, (b) to foreclose this Deed of Trust and to sell the Mortgaged Property, in accordance with applicable law, and (c) to pursue any other remedy available to it under this Deed of Trust, at law or in equity, all as Beneficiary shall deem most effectual for such purposes. Beneficiary shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as Beneficiary may determine.

4.2.6 If an Event of Default shall have occurred and be continuing, Beneficiary may foreclose this Deed of Trust as a mortgage or cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law. For any sale under the power of sale granted by this Deed of Trust, Beneficiary or Trustee shall record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Beneficiary and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property includes several lots or parcels, Beneficiary in its discretion may designate their order of sale or may elect to sell all of them as an entirety. The Property, real, personal and mixed, may be sold in one parcel. To the extent any of the Property sold by the Trustee is personal property, then Trustee shall be acting as the agent of the Beneficiary in selling such Property. Any person permitted by law to do so may purchase at any sale, including, without limitation, Beneficiary and if Beneficiary is the highest bidder, Beneficiary may credit the portion of the purchase price that would be distributed to Beneficiary against the Secured Obligations in lieu of paying cash. At any such sale by virtue of any judicial proceedings, power of sale, or any other legal right, remedy or recourse, the title to and right of possession of any such property shall pass to the purchaser thereof, and to the fullest extent permitted by law, Grantor shall be completely and irrevocably divested of all of its right, title, interest, claim, equity, equity of redemption, and demand whatsoever, either at law or in equity, in and to the property sold and such sale shall be a perpetual bar both at law and in equity against Grantor, and against all other Persons claiming or to claim the property sold or any part thereof, by, through or under Grantor. Following the completion of a judicial foreclosure or a trustee's sale of all or a portion of the security for the obligations secured hereby, to the fullest extent permitted by law, Beneficiary may seek and obtain a deficiency judgment. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance. Beneficiary shall have the right at its option to foreclose this Deed of Trust subject to the rights of any tenant or tenants of the Property, and the failure to make any such tenants party defendants to any such foreclosure proceeding and to foreclose its rights will not be, nor be asserted to be by Grantor, a defense to any proceedings instituted by Beneficiary to collect the sum secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

4.2.7 Borrower shall pay all of Beneficiary's and Trustee's expenses incurred in any efforts to enforce any terms of this Deed of Trust, whether or not any suit is filed, including without limitation legal fees and disbursements, foreclosure costs, title charges, and expenses incurred in any bankruptcy, reorganization, liquidation, receivership or similar proceeding. All such sums, with interest thereon, shall be additional indebtedness of Borrower secured by this Deed of Trust. Such sums shall be immediately due and payable and shall bear

interest from the date of disbursement at the lesser of the default rate under the Note, or the maximum rate permitted by law.

4.2.8 Trustee may postpone sale of all or any portion of the Mortgaged Property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement or subsequently noticed sale, and without further notice make such sale at the time fixed by the last postponement; or Trustee may, in its discretion, give a new notice of sale. Beneficiary may rescind any such notice of default at any time before Trustee's sale. The exercise by Beneficiary of the right of rescission shall not constitute a waiver of any default and demand for sale, or notices of default and of election to cause the Mortgaged Property to be sold, nor otherwise affect the Notes or this Deed of Trust, or any of the rights, obligations or remedies of Beneficiary or Trustee hereunder.

4.2.9 Without limiting the generality of the foregoing, upon the occurrence of an Event of Default and during the continuance thereof the Beneficiary at its option, shall have the right, power and authority to exercise and enforce any or all of the following rights and remedies with respect to Receipts and Agreements:

(a) to enforce the termination of the license granted to the Grantor hereunder to collect the Receipts, and, without taking possession, in the Beneficiary's own name to demand, collect, receive, sue for, attach and levy upon the Receipts (including all income received or receivable with respect to any of the Mortgaged Property), to give proper receipts, releases and acquittances therefor, and after deducting all necessary and reasonable costs and expenses of collection, including reasonable attorneys' fees, to apply the net proceeds thereof to the Obligations in such order and amounts as the Beneficiary may choose (or hold the same in a cash collateral reserve as security for the Obligations);

(b) without regard to the adequacy of the security, with or without any action or proceeding, through any person or by agent, or by a receiver to be appointed by court, to enter upon, take possession of, manage and operate the property or any part thereof for the account of the Grantor; make, modify, enforce, cancel or accept surrender of any Lease; remove and evict any lessee; increase or reduce rents; cut, remove, sell and dispose of timber and exercise all rights under deeds or contracts and otherwise do any act, or incur any cost or expense the Beneficiary shall deem proper to protect the security hereof, as fully and to the same extent as the Grantor could and to apply any funds to the operation and management of the Mortgaged Property (including payment of reasonable management, brokerage and attorneys' fees) and payment of any Obligations in such order and amounts as the Beneficiary may choose (or hold the same in cash collateral reserve as security);

(c) to require Grantor to transfer and pay over to Beneficiary any deposits and

records thereof, together with all original Agreements;

(d) to take whatever legal proceedings may appear necessary or desirable to enforce any obligation or covenant or agreement of the Grantor under this Deed of Trust; and

(e) The collection of the Receipts and application thereof (or holding thereof in reserve) as aforesaid or the entry upon and taking possession of the Mortgaged Property or both shall not cure or waive any default or waive, modify or affect any notice of default under this Deed of Trust, or invalidate any act done pursuant to such notice, and the enforcement of such right or remedy by the Beneficiary, once exercised, shall continue for so long as the Beneficiary shall elect, notwithstanding that the collection and application aforesaid of the Receipts may have cured the original default. If the Beneficiary shall thereafter elect to discontinue the exercise of any such right or remedy, the same or any other right or remedy hereunder may be reasserted at any time and from time to time following any subsequent default.

4.2.10 It is specifically understood and agreed that the foregoing acceleration provisions will be applicable not only to the maturities recited in the original Notes but also to any substituted maturities created by extension or renewal. The failure of the holder(s) of the secured indebtedness to declare an acceleration of maturities when a ground therefor exists, even though such forbearance may be repeated from time to time, will not constitute a waiver of the right of such holder(s) to accelerate maturities upon a recurrence of the same ground therefor; nor will the act of such holder(s) in remedying any condition resulting from declaring an acceleration of maturities by reason of such default.

4.2.11 If Beneficiary shall expend any sum or sums for the protection of any of the Mortgaged Property or the lien of this Deed of Trust (such Beneficiary to have uncontrolled discretion as to the necessity of making any such expenditures), the repayment of such sum or sums on demand (with interest thereon at the highest rate allowed by law from the date of each expenditure) shall be the personal obligation of the Borrower; and such obligation to repay will constitute a part of the indebtedness secured hereby. The expenditures thus made reimbursable will include, without limitation, taxes, special improvement assessments, insurance premiums, repairs and maintenance expenses, security expenditures, sums paid to discharge prior liens, rents on premises in which mortgaged personalty may be situated, etc. The cost of any abstract or supplemental abstract procured by Beneficiary to facilitate foreclosure will also constitute a part of the reimbursable expenses secured hereby.

4.3 Advances by Beneficiary. If the Grantor shall fail to comply with the provisions hereof with respect to the securing of insurance, the payment of taxes, assessments and other charges, the keeping of the Mortgaged Property in repair, the performance of the Grantor's obligations under any lease, the payment of any prior mortgages, or the protection of any of the Mortgaged Property or the lien of this Deed of Trust or the performance of any other term or

covenant herein contained, the Beneficiary may, without further notice to or demand upon Grantor and without waiving or releasing any other right, remedy or recourse (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Grantor (such Beneficiary to have uncontrolled discretion as to the necessity of making any such expenditures), and shall have the right to enter upon the Mortgaged Property for such purpose and to take all such action as it may deem necessary or appropriate. The repayment of any such sum or sums on demand (with interest thereon at the highest rate allowed by law from the date of each expenditure) shall be the personal obligation of the Grantor; and such obligation to repay will constitute a part of the indebtedness secured hereby. The expenditures thus made reimbursable shall include, without limitation, taxes, special improvement assessments, insurance premiums, repairs and maintenance expenses, security expenditures, sums paid to discharge prior liens, and rents on premises in which mortgaged personalty may be situated. The Grantor agrees to repay all such sums advanced upon demand, with interest from the date such advances are made at the Default Rate as provided for and as defined in the Notes, or the highest rate permitted by law, whichever shall be less, and all sums so advanced with interest shall constitute Obligations and shall be secured hereby. The cost of any title abstract or report or supplemental abstract or report procured by Beneficiary to facilitate foreclosure will also constitute a part of the reimbursable expenses secured hereby.

4.4 Tenancy at Will. In the event of a trustee's sale hereunder and if at the time of such sale Grantor or any other party occupies the portion of the Mortgaged Property so sold or any part thereof, such occupant shall immediately 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 tenant or Landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Property so occupied, such rental to be due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Property.

4.5 Indemnification of Trustee. Except for gross negligence or willful misconduct, Trustee shall not be liable for any act or omission or error of judgment. Trustee may rely on any document believed by him in good faith to be genuine. All money received by Trustee shall, until used or applied as herein provided, be held in trust, but need not be segregated (except to the extent required by law), and Trustee shall not be liable for interest thereon. Grantor hereby indemnifies Trustee against all liability and expenses that he may incur in the performance of his duties hereunder.

4.6 Beneficiary's Right to Perform. Upon Grantor's failure to make a payment or perform an act required by the Loan Documents, then at any time thereafter, and without further notice to or demand upon Grantor and without waiving or releasing any other right, remedy or recourse, Beneficiary may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Grantor, and shall have the right to enter upon the

Mortgaged Property for such purpose and to take all such action as it may deem necessary or appropriate.

4.7 Other Rights. Beneficiary may exercise any and all other rights, remedies and recourses granted under the Loan Documents now or hereafter existing in equity or at law for the protection and preservation of the Mortgaged Property.

4.8 Remedies Cumulative, Concurrent and Nonexclusive. Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including, without limitation, those granted by the Code and applicable to the Mortgaged Property, or any portion thereof), and same (1) shall be cumulative and concurrent, (2) may be pursued separately, successively or concurrently against Grantor or others obligated for the Obligations, or any part thereof or against any one or more of them, or against the Mortgaged Property, at the sole discretion of Beneficiary, (3) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise of or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse, and (4) are intended to be, and shall be, nonexclusive, and Beneficiary may pursue inconsistent remedies, and no action hereunder by Beneficiary shall be deemed to prejudice Beneficiary's right thereafter to foreclose this Deed of Trust. Nothing herein and no action of Beneficiary shall be construed as an election to proceed under any provision to the exclusion of any other provision or as prohibiting Beneficiary from seeking a deficiency judgment against Grantor to the extent such action is permitted by law.

4.9 Application of Proceeds. All payments received by the Beneficiary or the Trustee as proceeds of the Mortgaged Property, or any part thereof, as well as any and all amounts realized by the Beneficiary or the Trustee in connection with the enforcement of any right or remedy under or with respect to this Deed of Trust, shall be applied by the Beneficiary as follows (except as otherwise required by law): (i) to the payment of all necessary expenses of the Trustee or the Beneficiary incident to the execution of any foreclosure sale or sales or other remedies under this Deed of Trust, including attorneys' fees, appraisal fees, title search fees, foreclosure notice costs and reasonable compensation to the Trustee, (ii) to the payment in full of any of the Obligations that is then due and payable (including without limitation any money, with interest thereon at a rate equal to the Default Rate which Beneficiary may have paid, or become liable to pay, or which it may then be necessary to pay for taxes, insurance, assessments or other charges, liens, or debts as hereinabove provided, principal, accrued interest and all other sums secured hereby) and to the payment of attorneys' fees as provided herein and in the Notes, all in such order as the Beneficiary may elect in its sole discretion, (iii) to a cash collateral reserve fund to be held by the Beneficiary in an amount equal to, and as determined by Beneficiary for, any of the Obligations that are not then due and payable, and (iv) the remainder, if any, shall be paid to the Grantor or such other person or persons as may be entitled thereto by law, after deducting therefrom the cost of ascertaining their identity.

4.10 Waiver of Appraisement Laws. The Grantor waives, to the fullest extent permitted by law, the benefit of all laws now existing or hereafter enacted providing for (i) any appraisement before sale of any portion of the Mortgaged Property (commonly known as appraisement laws), or (ii) any extension of time for the enforcement of the collection of the Obligations or any creation or extension of a period of redemption from any sale made in collecting the Obligations (commonly known as stay laws and redemption laws).

4.11 General Remedies. If an Event of Default shall have occurred and be then in existence, Beneficiary may take such action, without notice or demand, as it shall deem advisable to protect and enforce its rights against Grantor and in and to the Mortgaged Property or any part thereof or interest therein, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary: (i) enter into or upon the Mortgaged Property, either personally or by its agents, nominees or attorneys and dispossess Grantor and its agents and servants therefrom, and thereupon Beneficiary may (A) use, operate, manage, control, insure, maintain, repair, restore, harvest and sell timber and otherwise deal with all and every part of the Mortgaged Property and conduct the business thereat, (B) complete any construction on the Mortgaged Property in such manner and form as Beneficiary deems advisable, (C) make alterations, additions, renewals, replacements and improvements to or on the Mortgaged Property, (D) exercise all rights and powers of Grantor with respect to the Mortgaged Property, whether in the name of Grantor or otherwise, including, without limitation, the right to make, cancel, enforce or modify, timber sale contracts, log or pulpwood sale contracts, stumpage sale agreements, leases, and other agreements and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Mortgaged Property and every part thereof and (E) receive and collect the receipts from the Mortgaged Property, give proper receipts, releases and acquittances therefor, and apply the same to the payment of the Secured Obligations, after deducting therefrom all expenses (including reasonable attorneys' fees and expenses) incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Mortgaged Property, as well as just and reasonable compensation for the services of the Beneficiary and its counsel, agents and employees, or (ii) institute proceedings for the complete foreclosure of this Deed of Trust in which case the Mortgaged Property may be sold for cash or upon credit in one or more parcels, or (iii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Deed of Trust for the portion of the Secured Obligations then due and payable, subject to the continuing lien of this Deed of Trust for the balance of the Secured Obligations not then due, or (iv) sell for cash or upon credit the Mortgaged Property or any part thereof and all or any part of any estate, claim, demand, right, title and interest of Grantor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, and

in the event of a sale, by foreclosure or otherwise, of less than all of the Mortgaged Property, this Deed of Trust shall continue as a lien on the remaining portion of or estate in the Mortgaged Property, or (v) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein or in the Notes or any other Loan Document, or (vi) recover judgment on the Notes or any guaranty either before, during or after any proceedings for the enforcement of this Deed of Trust or (vii) pursue such other remedies as Beneficiary may have under applicable law or equity. Further, once Beneficiary has exercised any of its rights or remedies hereunder, or under the Loan Documents, during the existence of an Event of Default, all actions theretofore or thereafter taken by Beneficiary in pursuit of such rights and remedies shall not be affected by any cure of such Event of Default, unless Beneficiary shall accept the cure and terminate pursuit of any such right or remedy, in which case, the parties shall be restored to their position which existed prior to Beneficiary's exercise of its rights or remedies.

4.12 Waiver of Jury Trial. GRANTOR, TO THE FULLEST EXTENT PERMITTED BY LAW, HEREBY KNOWINGLY, INTENTIONALLY AND VOLUNTARILY, WITH AND UPON THE ADVICE OF COMPETENT COUNSEL, WAIVES, RELINQUISHES AND FOREVER FORGOES THE RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING, INCLUDING, WITHOUT LIMITATION, ANY TORT ACTION, BROUGHT BY GRANTOR AGAINST TRUSTEE OR BENEFICIARY AND/OR CO-BENEFICIARIES BASED UPON, ARISING OUT OF, OR IN ANY WAY RELATING TO OR IN CONNECTION WITH THE LOAN DOCUMENTS, THE LOAN OR ANY COURSE OF CONDUCT, ACT, OMISSION, COURSE OF DEALING, STATEMENTS (WHETHER VERBAL OR WRITTEN) OR ACTIONS OF ANY PERSON (INCLUDING, WITHOUT LIMITATION, SUCH PERSON'S DIRECTORS, OFFICERS, PARTNERS, MEMBERS, EMPLOYEES, AGENTS OR ATTORNEYS, OR ANY OTHER PERSONS AFFILIATED WITH SUCH PERSON), IN CONNECTION WITH THE LOAN OR THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, IN ANY COUNTERCLAIM WHICH GRANTOR MAY BE PERMITTED TO ASSERT THEREUNDER OR WHICH MAY BE ASSERTED BY BENEFICIARY OR CO-LENDERS OR ANY OF THEIR AGENTS AGAINST GRANTOR, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE. THIS WAIVER BY GRANTOR OF ITS RIGHT TO A JURY TRIAL IS A MATERIAL INDUCEMENT FOR THE MAKING OF THE LOAN.

4.13 Expenses During Redemption Period. If this Deed of Trust is foreclosed as a mortgage and the Mortgaged Property sold at a foreclosure sale, then during any redemption period allowed, the purchaser may make such repairs or alterations on the Mortgaged Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any sums so paid together with interest thereon from the time of such expenditure at the lesser of the Default Rate under the Note, or the maximum rate permitted by law, shall be added to and become a part of the amount required to be paid for redemption from such sale.

4.14 Fair Market Value. To the extent the Washington Deed of Trust Act, as now existing or hereafter amended, or other statute requires that the "fair market value" or "fair value" of the Mortgaged Property be determined as of the foreclosure date in order to enforce a deficiency against Grantor or any other party liable for repayment of the Obligations, the term "fair market value" or "fair value" shall include those matters required by law and the additional factors set forth below:

(i) The Mortgaged Property shall be valued "as is" and "with all faults" and there shall be no assumption of restoration or refurbishment of Improvements, if any, after the date of the foreclosure.

(ii) An offset to the fair market value or fair value of the Mortgaged Property, as determined hereunder, shall be made by deducting from such value the reasonable estimated closing costs related to the sale of the Mortgaged Property, including but not limited to brokerage commissions, title policy expenses, tax pro-rations, escrow fees, and other common charges that are incurred by the seller of real property.

Grantor shall pay the costs of any appraisals and other expenses incurred in connection with any such determination of fair market value or fair value.

5. MISCELLANEOUS PROVISIONS.

5.1 Waiver and Election. The exercise by the Beneficiary of any right, power or remedy given under the terms of this Deed of Trust shall not be considered as a waiver of the right to exercise any other right, power or remedy given herein, and the filing of a suit to foreclose the lien, security interest and assignment granted by this Deed of Trust, either on any matured portion of the Obligations or for the whole of the Obligations, shall not be considered an election so as to preclude foreclosure under power of sale after a dismissal of the suit; nor shall the publication of notices for foreclosure preclude the prosecution of a later suit thereon. No failure or delay on the part of the Beneficiary in exercising any right, power or remedy under this Deed of Trust shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or thereunder. No notice to or demand on the Grantor in any case shall entitle the Grantor to any other or further notice or demand in similar or other circumstances. The Grantor expressly waives the right to any notice of the assignment of the Notes or this Deed of Trust and the right to enforce the provisions of any applicable law requiring such notice.

5.2 Enforceability. If any provision of this Deed of Trust is held to be illegal, invalid, or unenforceable under present or future laws effective while this Deed of Trust is in effect, the legality, validity and enforceability of the remaining provisions of this Deed of Trust shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Deed of Trust a provision that is legal, valid and enforceable and as similar in terms to such illegal, invalid or unenforceable provision as may be possible.

5.3 Application of Payments. If the lien, assignment or security interest created by this Deed of Trust is invalid or unenforceable as to any part of the Obligations or is invalid or unenforceable as to any part of the Mortgaged Property, the unsecured or partially secured portion of the Obligations shall be completely paid prior to the payment of the remaining secured or partially secured portion of the Obligations, and all payments made on the Obligations, whether voluntary or under foreclosure or other enforcement action or procedures, shall be considered to have been first paid on and applied to the full payment of that portion of the Obligations that is not secured or not fully secured by said lien, assignment or security interest created hereby.

5.4 Applicable Law. The creation, perfection, lien priority, and the exercise of remedies and enforcement, and all other provisions of this Deed of Trust shall be governed by the internal laws of the State in which the Premises are located, without regard to principles of conflicts of laws. The Notes, the Loan Agreement and all other Loan Documents (other than mortgages or other security documents filed in other States which shall be governed by the laws of those States in which they were filed) shall be governed by the internal laws of the State of Washington, also without regard to principles of conflicts of laws. In the event of a conflict between the laws of the State of Washington and the laws of the State in which the Premises are located with respect to creation, perfection and enforcement of the lien and security interest created by this Deed of Trust, the laws of the State in which the Premises is located shall govern. Without limiting the foregoing, Borrower agrees that to the fullest extent permitted by law, Washington law without regard to its conflict of laws rules shall apply to all actions, defenses and remedies under the Loan Documents, including without limitation, the existence and calculation of any deficiency judgment upon foreclosure of this Deed of Trust and any right to collect any such deficiency judgment against any guarantor or any other person liable for the Obligations.

5.5 Meaning of Particular Terms. Whenever used, the singular number shall include the plural and the plural, the singular, the pronouns of one gender shall include all genders; and the words "Grantor," "Borrower," "Beneficiary" and "Trustee" shall include their respective heirs, personal representatives, successors and assigns.

5.6 Release or Extension by Beneficiary. The Beneficiary, without notice to the Grantor and without in any way affecting the rights of the Beneficiary hereunder as to any part of the Mortgaged Property not expressly released, may release any part of the Mortgaged Property or any person liable for any of the Obligations and may agree with any party with an interest in the Mortgaged Property to extend the time for payment of all or any part of the Obligations or to waive the prompt and full performance of any term, condition or covenant of the Notes, any of the Loan Documents, this Deed of Trust or any other instrument evidencing or securing any of the Obligations.

5.7 Partial Payments. Acceptance by the Beneficiary of any payment of less than the full amount due on the Obligations shall be deemed acceptance on account only, and the failure of the Grantor to pay the entire amount then due shall be and continue to constitute an Event of Default, and at any time thereafter and until the entire amount due on the Obligations has been paid, the Beneficiary shall be entitled to exercise all rights conferred on it by the terms of this Deed of Trust in case of the occurrence of an Event of Default.

5.8 Addresses for Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and shall be sent by Federal Express or other recognized national courier, personal service or United States mail, certified with return receipt requested, to the applicable party at its address indicated on the first page of this Deed of Trust or shall be sent in accordance with the Loan Agreement, and shall be deemed given upon receipt or refusal to accept, and any party may designate another address in accordance herewith or with the Loan Agreement. All notices to Beneficiary and/or Trustee shall also be sent to Edwards Angell Palmer & Dodge LLP, 90 State House Square, Hartford, Connecticut 06103, Attention: John B. D'Agostino, Esq.

5.9 Absence of Obligations of Beneficiary with respect to Mortgaged Property. Notwithstanding anything in this Deed of Trust to the contrary, (1) to the extent permitted by applicable law, the Mortgaged Property is comprised of Grantor's rights, title and interests therein but not its obligations, duties or liabilities pertaining thereto, (2) Beneficiary neither assumes nor shall have any obligations, duties or liabilities in connection with any portion of the items described in connection with the definition of "Mortgaged Property" herein, either prior to or after obtaining title to such Mortgaged Property, whether by foreclosure sale, the granting of a deed in lieu of foreclosure or otherwise, and (3) Beneficiary may, at any time prior to or after the acquisition of title to any portion of the Mortgaged Property as above described, advise any party in writing as to the extent of Beneficiary's interest therein and/or expressly disaffirm in writing any rights, interests, obligations, duties and/or liabilities with respect to such Mortgaged Property or matters related thereto. Without limiting the generality of the foregoing, it is understood and agreed that Beneficiary shall have no obligations, duties or liabilities prior to or after acquisition of title to any portion of the Mortgaged Property, as lessee

under any lease or purchaser or seller under any contract or option unless Beneficiary elects otherwise by written notification.

5.10 Titles. All section, paragraph, subparagraph or other titles contained in this Deed of Trust are for reference purposes only, and this Deed of Trust shall be construed without reference to said titles.

5.11 Construction and Presumption. This Deed of Trust may be construed as a deed of trust, mortgage, chattel mortgage, conveyance, assignment, security agreement, pledge, financing statement, hypothecation, or contract, or any one or more of them, in order fully to effectuate the lien, security interest and assignment created hereby and the purposes and agreements herein set forth. Although the initial draft of this Deed of Trust and the Loan Documents was drafted by Beneficiary, Grantor and Grantor's legal counsel have had full opportunity to review, negotiate and approve the final form of this Deed of Trust and the other Loan Documents. Accordingly, in the event of any ambiguity in the construction or interpretation of any provision of this Deed of Trust, or the Loan Documents, no presumption shall be indulged in favor of either party in the resolution of such ambiguity.

5.12 Collection Costs. The Grantor agrees to pay all costs, including reasonable attorneys' fees, incurred by the Trustee or Beneficiary in enforcing the Beneficiary's rights hereunder and in collecting or securing, or attempting to collect or secure, the Obligations, or any part thereof, or in defending or attempting to defend the priority of this Deed of Trust against any lien on the Mortgaged Property, or any part thereof, unless this Deed of Trust is herein expressly made subject to any such lien; and all costs incurred in the foreclosure of this Deed of Trust, either under the power of sale contained herein, or by virtue of the decree of any court of competent jurisdiction. The full amount of such costs incurred by the Trustee or the Beneficiary shall be a part of the Obligations, and shall bear interest at the Default Rate provided in the Notes or such lesser amount as shall be the maximum amount permitted by law, and shall be secured by this Deed of Trust.

5.13 Defeasance. If all of the Obligations (as defined herein) have been paid in full, including but not limited to all sums (principal, interest, premium and charges) payable under the Notes and any and all extensions and renewals of the same; and all sums due, or to become due, and payable by the Grantor under the terms of this Deed of Trust, the Loan Agreement and any of the other Loan Documents, including but not limited to advancements made by the Beneficiary pursuant to the terms and conditions of this Deed of Trust, and if there is no outstanding breach by Grantor of the obligations, covenants, duties, conditions and agreements herein and in the Loan Agreement, Notes and other Loan Documents imposed on or agreed to by the Grantor; then this conveyance and the grants and conveyances contained herein shall become null and void, and the Mortgaged Property shall revert to the Grantor, and the entire estate, right, title and interest of the Trustee and the Beneficiary will thereupon cease; and the Beneficiary in

such case shall, upon the request of the Grantor and at the Grantor's cost and expense, deliver to the Grantor proper instrument(s) acknowledging satisfaction of this instrument; otherwise, this Deed of Trust shall remain in full force and effect. No release or modification of this conveyance, or of the lien, security interest or assignment created and evidenced thereby, shall be valid unless executed by Beneficiary.

5.14 Change in Ownership. If the ownership (legal or beneficial) of the Mortgaged Property or any part thereof becomes vested in a person or entity other than Grantor, or in the event of a change of any ownership of Grantor legal or beneficial, Beneficiary may, without notice to Grantor, deal with such successor or successors in interest with reference to this Deed of Trust and to the Obligations in the same manner as with Grantor without in any way vitiating or discharging Grantor's liability hereunder or with respect to the Obligations and without affecting any default created hereunder by such ownership change, including, without limitation, all of Beneficiary's rights and remedies arising from such default. No sale of the Mortgaged Property, and no forbearance on the part of Beneficiary, and no extension of the time for the payment of the Obligations, shall operate to release or affect the original liability of Grantor.

5.15 Partial Release of Lien, Extension, etc. Any part of the Mortgaged Property or any other property which is security for the Loan may be released by Beneficiary without affecting the lien, security interest and assignment hereof against the remainder and Lender may agree with any party with an interest in the Collateral to extend the time for payment of all or any part of the Obligations or to waive the prompt and full performance of any term, condition or covenant of the Note, any of the Loan Documents, this Security Instrument or any other instrument evidencing or securing any of the Obligations. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the Obligations. The taking of additional security, or the extension or renewal of the Obligations or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any permitted junior lienholder; and this Deed of Trust, as well as any instrument given to secure any renewal or extension of the Obligations, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the Mortgaged Property not expressly released until the Obligations are paid. From time to time at Beneficiary's option, by instrument executed by Beneficiary and recorded in the mortgage records where this Deed of Trust has been recorded, Beneficiary may subordinate the lien created by this Deed of Trust to any interest in the Mortgaged Property, provided, however, that any such subordination shall be solely at Beneficiary's option, and in no event shall Beneficiary be obligated to subordinate the lien created by this Deed of Trust.

5.16 Entire Agreement and Modification. There are no oral agreements between the parties. The Loan Documents contain the entire agreements between the parties relating to the subject matter hereof and thereof and all prior agreements relative thereto which are not

contained herein or therein are terminated. The Loan Documents may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted, and any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party; provided, however, that this sentence shall not apply to the penultimate sentence of the last grammatical paragraph of Section 1.

5.17 Relationship: Joint and Several Liability. The relationship of Beneficiary to Grantor under this Deed of Trust and with respect to the Loan Documents is strictly and solely that of creditor and debtor and nothing contained in this Deed of Trust or any other Loan Document is intended to create, or shall in any event or under any circumstance be construed to create, a partnership, joint venture, tenancy in common, joint tenancy or other relationship of any nature whatsoever between Beneficiary and Grantor, or in any way make Beneficiary a co-principal with Grantor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated. The parties which are together referred to herein as Grantor hereby each agree that each of them shall be jointly and severally liable for all obligations and liabilities of Grantor under this Deed of Trust and further each agree that Beneficiary may, in its sole discretion, take any action hereunder against both of them, or either of them, without prejudice to or effect on any future action against either or both of them, and that any notice to or from either of them shall be deemed to be received or given by them both.

5.18 Further Assurances. Grantor, upon the request of Beneficiary, will execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Loan Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Mortgaged Property.

5.19 Recording and Filing. Grantor will cause this Deed of Trust and any Financing Statements and all amendments and supplements thereto and substitutions therefor to be recorded, filed, rerecorded and refiled in such manner and in such places as Beneficiary shall reasonably request, and will pay all such recording, filing, rerecording and refiling taxes, fees and other charges

5.20 Successors and Assigns. All of the terms of the Loan Documents shall apply to, be binding upon and inure to the benefit of the parties thereto, their successors, assigns, heirs and legal representatives, and all other persons claiming by, through or under them, and all of the obligations and liabilities of Grantor contained herein and in the Loan Documents are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Property.

6. THE TRUSTEE.

6.1 Compensation of Trustee. The Trustee is and shall be entitled to reasonable compensation for all services rendered hereunder, or in connection with the trust herein created, and in addition, the Trustee shall be entitled to pay a reasonable sum for an examination of title at the date of sale to assure himself as to what person is entitled to receive any surplus which any remain after discharging the liens hereby created. The Trustee's compensation, together with any and all necessary and reasonable expenses, charges, attorneys' fees, including but not limited to fees for legal advice concerning his rights and duties with respect to this Deed of Trust and the Mortgaged Property, and other disbursements incurred by the Trustee in discharge of his duties as such, shall be a further charge and lien upon the Mortgaged Property and enforced in the same manner as the principal obligation due hereunder or under the Notes.

6.2 Bond, Oath, etc. The giving of bond, making of oath or filing of inventory by the Trustee herein, or his successors in trust, is hereby expressly waived.

6.3 Successor Trustees. The Beneficiary shall have the right, in its absolute discretion and without assigning any cause or reason whatsoever, and without giving notice to any of the parties named herein, the giving of notice being expressly waived by the Grantor, to remove the Trustee named herein, or any successor Trustee at any time, and, without the necessity for the joinder therein of the Trustee named herein, to appoint a successor trustee by written instrument executed by the Beneficiary, and such successor trustee or subsequent successor trustees shall become vested with the same title to the Mortgaged Property and the same rights and powers and subject to the same duties as the Trustee originally named herein, and each appointment of a successor trustee by the Beneficiary shall be recorded in the Office of the Clerk in each county in which the Mortgaged Property is located. Such appointment may be executed by anyone acting in a representative capacity, and such appointment shall be conclusively presumed to have been executed with appropriate authority.

6.4 Amendments. Any amendment or modification of this instrument may be made between the Grantor and the Beneficiary without the necessity of joinder therein by the Trustee.

7. ADDITIONAL COVENANTS AND AGREEMENTS OF GRANTOR.

The Grantor covenants and agrees that, until the Obligations are paid in full and this Deed of Trust is discharged in writing by the Beneficiary:

7.1 Additional Security Documents.

(a) Grantor has simultaneously herewith executed and delivered to or for the benefit of Beneficiary counterpart originals of this Deed of Trust to be recorded in each County in the State of Washington where any of the Mortgaged Property is located.

(b) Also, certain of the Borrowers have simultaneously herewith executed and delivered to or for the benefit of Beneficiary certain deeds of trust and other documents and instruments encumbering or relating to certain property owned by Grantor and such other Borrowers located in other Counties in the States of Oregon and Washington as additional security for the Obligations (collectively, the "Additional Deeds of Trust"), which Additional Deeds of Trust secure the Loan and are either superior and prior or junior and subordinate to other deeds of trust which secure the other Loans from the Lenders to the Borrowers made pursuant to the Loan Agreement.

(c) The Additional Deeds of Trust, and this Deed of Trust (and each counterpart thereof) shall each and all constitute security for the Notes, the indebtedness referred to therein and the Loan. If there should be an Event of Default in any of the terms, conditions or obligations of any of the Additional Deeds of Trust, such default shall constitute an Event of Default under this Deed of Trust. The Beneficiary, may foreclose or otherwise enforce such security under the Additional Deeds of Trust, enforce its rights, powers and remedies with respect to, and realize upon, such security or otherwise enforce its rights, powers and remedies with respect to, and realize upon, such security, either before or concurrently with or after a foreclosure or other enforcement of this Deed of Trust, any other such security or any of the other Loan Documents, and in any order as Beneficiary may choose (whether or not every aspect of any such foreclosure or other enforcement may be commercially reasonable), all without impairing or being deemed to have waived any rights, benefits, liens or security evidenced by or arising under or in connection with this Deed of Trust, any other such security or any of the other Loan Documents, the Additional Deeds of Trust, and without being deemed to have made an election thereby or to have accepted the benefits of such security (or the proceeds thereof) in full settlement of the Obligations and of its rights with respect thereto. No judgment, order or decree rendered against Grantor with respect to any such other security or any of the other Loan Documents, whether rendered in any state in which any collateral is situated or elsewhere, shall in any manner affect the security of this Deed of Trust, and any deficiency or other debt represented by any such judgment, order or decree shall, to the extent permitted by law, be secured by this Deed of Trust to the same extent that the Loan shall have been secured by this Deed of Trust prior to the rendering of such judgment, order or decree. Grantor for itself and for any and all persons who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Mortgaged Property or any other security for the Obligations, hereby irrevocably waives and releases, to the extent permitted by

law, all benefit of any and all laws that would limit or prohibit the effectiveness of anything set forth in this Section.

(d) Notwithstanding anything contained herein to the contrary, Beneficiary shall be under no duty to Grantor or any other person or entity, including, without limitation, any holder of the First Mortgage or Second Mortgage or any other junior, senior or subordinate mortgage on the Mortgaged Property or any part thereof or on any other security held by Beneficiary, to exercise, exhaust or first resort to all or any of the rights, powers and remedies available to Beneficiary, whether under this Deed of Trust, the other Loan Documents, the Additional Deeds of Trust, prior to the sale of the Mortgaged Property or any other enforcement of this Deed of Trust. Furthermore, Grantor and such other persons and entities waive all rights relating to marshaling and agree that Beneficiary shall not be compelled to release any part of the security of this Deed of Trust, the other Loan Documents, the Additional Deeds of Trust or be prevented from foreclosing or enforcing this Deed of Trust, the other Loan Documents, the Additional Deeds of Trust upon all or any part of such security unless the Obligations shall have been paid in full and that Beneficiary shall not be compelled to accept or allow any apportionment of the Loan to or among any of the property encumbered by this Deed of Trust, the other Loan Documents or the Additional Deeds of Trust.

7.2 After Acquired Mortgaged Property. Grantor covenants and agrees that, if and to the extent that any of its respective rights, titles, estates and interests in any of the Mortgaged Property is not acquired until after delivery of this Deed of Trust, this Deed of Trust shall nonetheless apply thereto and the security interest of Beneficiary hereby created shall attach to such Mortgaged Property at the same time as Grantor acquires rights therein, without the necessity of any further mortgage, charge, pledge, assignment or assurance and thereafter such Mortgaged Property shall be subject to the security interests created under this Deed of Trust.

7.3 Remedies Not Exclusive. Beneficiary shall be entitled to enforce payment and performance of the Obligations and to exercise all rights and powers under this Deed of Trust or under the Notes and other Loan Documents or any other agreement executed in connection herewith or any laws now or hereafter in force, notwithstanding some or all of the such indebtedness and Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Deed of Trust nor its enforcement, whether by court action or other powers herein contained, shall prejudice or in any manner affect Beneficiary's right to realize upon or enforce any other security now or hereafter held by Beneficiary, it being agreed that Beneficiary shall be entitled to enforce this Deed of Trust and any other security now or hereafter held by Beneficiary in such order and manner as Beneficiary may in its sole and absolute discretion determine.

7.4 Waiver of Marshaling and Certain Rights. Grantor agrees, to the extent permitted by law, that neither Grantor nor any person at any time claiming through or under

Grantor shall set up, claim or seek to take advantage of any appraisal, valuation, stay, notice of election to accelerate, mature or declare due the Obligations, extension, redemption or moratorium laws, any right of division, or any exemption from execution or sale, or any rights of dower, curtesy or homestead, now or hereafter in force, in order to prevent or hinder the enforcement of this Deed of Trust after the occurrence of any Event of Default, the final and absolute sale of all or any part of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after any such sale, of the purchaser or purchasers at such sale or the enforcement of any other rights or remedies of Beneficiary under this Deed of Trust or any other Loan Documents. Grantor, for itself and for all who may at any time claim through or under Grantor or who hereafter may otherwise acquire any interest in or title to all or any part of the Mortgaged Property, hereby waives, releases and renounces to the extent permitted by law, all benefit of any such law or laws, any and all rights of redemption from sale under any power of sale permitted by law or pursuant to any judgment, order or decree of foreclosure of this Deed of Trust, and any and all right to have the assets constituting the Mortgaged Property marshaled upon any foreclosure or other enforcement of this Deed of Trust or to direct the order in which any of the Mortgaged Property shall be sold in the event of any sale or sales pursuant hereto, as well as rights regarding the administration of estates of decedents or any other rights which might defeat, reduce or affect the right of Beneficiary to sell the Mortgaged Property for the collection of its obligations. Beneficiary or any court having jurisdiction to exercise or enforce rights with respect to this Deed of Trust may sell the Mortgaged Property in part or as an entirety. Beneficiary shall not be required to accept any part or parts of the Mortgaged Property in satisfaction of all or any part of the Secured Obligations. Beneficiary shall not be required to accept any apportionment of the Secured Obligations to or among any part or parts of the Mortgaged Property.

7.5 Statute of Limitations. Grantor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of any and all Secured Obligations secured by this Deed of Trust.

7.6 Time of Essence. Time is of the essence of the obligations of Grantor in this Deed of Trust and each and every term, covenant and condition made herein by or applicable to Grantor.

7.7 The Timber Deed.

7.7.1 In addition to making payment of all rent, additional rent, tax and other payments and charges required to be made by Grantor, Grantor, as tenant under and pursuant to the provisions of any Timber Deed, covenants that it will:

(a) Diligently perform and observe all of the terms, conditions and covenants of any Timber Deed required to be performed and observed by Grantor, to the end that all things shall

be done which are necessary to keep unimpaired Grantor's rights under any Timber Deed, and Grantor covenants that no release or forbearance of any of the obligations of Grantor under any Timber Deed, pursuant to any Timber Deed or otherwise shall release Grantor from any of its obligations under this Deed of Trust, including, without limitation, Grantor's obligations under this Section;

(b) Promptly notify Beneficiary in writing of any default by any party in the performance and observance of any of the terms, conditions or covenants to be performed or observed under any Timber Deed;

(c) Promptly notify Beneficiary in writing of the giving of any notice under any Timber Deed of any default of Grantor in the observance of any terms, covenants or conditions of any Timber Deed and deliver to Beneficiary a true copy of each such notice; and

(d) Not surrender the Leasehold Estate nor terminate or cancel any Timber Deed or enter into any agreement (whether oral or written) modifying, supplementing or amending any Timber Deed without the prior written consent of Beneficiary, and Grantor hereby assigns to Beneficiary all rights and options to extend, renew, terminate or modify any Timber Deed in any manner whatsoever.

7.7.2 Unless Beneficiary shall otherwise expressly consent in writing, the fee title and the leasehold estate in the Leasehold Premises shall not merge but shall always remain separate and distinct, notwithstanding the union of said estates either in the lessor or in the lessee under any Timber Deed, or in a third party by purchase or otherwise.

7.7.3 Any termination of the Timber Deed shall be treated in the same manner and with the same effect as if the land and timber effected by said Timber Deed was partially released in accordance with Section 4.8 of the Loan Agreement.

7.8 Non-Agricultural User Commercial Loans. Grantor represents and warrants that (a) the Mortgaged Property is not used principally for agricultural purposes and (b) the Loan secured by this Deed of Trust was not made primarily for personal, family and household purposes.

7.9 Certain Obligations Unsecured. Notwithstanding anything to the contrary set forth herein or any of the Loan Documents, this Deed of Trust shall not secure the following obligations (the "**Unsecured Obligations**"): (a) any obligations evidenced by or arising under the Unsecured Environmental Indemnity and Agreement, and (b) any other obligations in this Deed of Trust or in any of the other Loan Documents to the extent that such other obligations relate specifically to the presence on the Mortgaged Property of Hazardous Substances and are the same or have the same effect as any of the obligations evidenced by or arising under the

Unsecured Environmental Indemnity and Agreement. Any breach or default with respect to the Unsecured Obligations shall constitute an Event of Default hereunder, notwithstanding the fact that such Unsecured Obligations are not secured by this Deed of Trust. Nothing in this Section shall, in itself, impair or limit Beneficiary's right to obtain a judgment in accordance with applicable law after foreclosure for any deficiency in recovery of all obligations that are secured by this Deed of Trust following foreclosure.

7.10 Statutory Notice. ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY, EXTEND CREDIT, OR FOREBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

7.11 Multiple Originals. This Deed of Trust is being executed in multiple originals in order to be recorded simultaneously in each of the counties where the Mortgaged Property is located. All such originals shall constitute one and the same Deed of Trust. Beneficiary may cause a foreclosure sale or file an action to enforce any right or remedy under this Deed of Trust or applicable law as to all the Mortgaged Property, regardless in which County the Mortgaged Property is located, in any County in which some of the Mortgaged Property is located, in Beneficiary's sole and absolute discretion. Grantor consents to venue and jurisdiction in any such County as determined by Beneficiary.

[Remainder of page intentionally left blank; signature page to follow.]

IN WITNESS WHEREOF, Grantor has executed this instrument under seal as of the day and year first written above.

Witnessed by:

GRANTOR:

LONGVIEW TIMBERLANDS LLC,
a Delaware limited liability company

Lori LeCheminant
Name: Lori LeCheminant

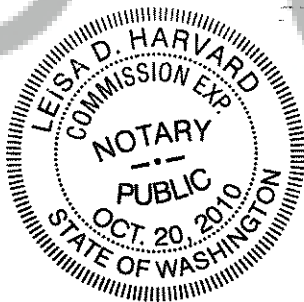
By: Blake S. Rowe
Name: Blake S. Rowe
Title: President
Duly Authorized

STATE OF WASHINGTON)
COUNTY OF CLARK) ss.

On April 1, 2008, before me personally appeared BLAKE S. ROWE, to me known to be the President of Longview Timberlands LLC, a Delaware limited liability company, the company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said company, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument on behalf of said company.

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

Signature: LEISA D. HARVARD
LEISA D. HARVARD



NOTARY PUBLIC in and for the State
of Washington, residing at 1100 12th Ave
My appointment expires: 12/20/2010

[Signature and Acknowledgment page to Deed of Trust WA Loan C-3]

SCHEDULE A

PROPERTY DESCRIPTION

Unofficial
Copy

Exhibit A-1

HFD 188802.2

SCHEDULE A

93-03-01 and 93-03-02

PARCEL 65

The Southwest Quarter, the Southeast Quarter and the Northeast Quarter of Section 10, Township 7 North, Range 3 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-04 and 93-03-14

PARCEL 59

Government Lots 1, 2, 3 and 4, the East Half of the Northwest Quarter, the East Half of the Southwest Quarter and the West Half of the Southeast Quarter of Section 30, Township 3 North, Range 8 East of the Willamette Meridian, in the county of Skamania, State of Washington.

Except that portion conveyed to the United States of America for the Bonneville Power lines being 300 feet wide.

93-03-06

PARCEL 66

The west Half of the Northwest Quarter and the Northwest quarter of the Northeast Quarter of the Southwest Quarter of Section 24, Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-07

PARCEL 62

Government Lot 6 and the West 34 Rods of the West Half of the Southwest Quarter of the Northeast Quarter in Section 25, Township 3 North, Range 7 1/2 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Except that portion conveyed to Carl Krohn by instrument recorded in Book 55, Page 363.

SCHEDULE A

93-03-11

PARCEL 56

The Southeast Quarter of the Northeast Quarter and the East Half of the Southeast Quarter of Section 6, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Excepting that portion lying Southerly of the center line of Panther Creek.

PARCEL 60

The Southwest Quarter of the Northwest Quarter of Section 5, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-13

PARCEL 63

The South Half of the Southeast Quarter, the South Half of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter and the South Half of the Northeast Quarter of the Southeast Quarter of Section 10 Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 64

That portion of the East Half of Section 15, Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington lying Northerly of the Wind River Highway.

Excepting therefrom the following:

Beginning at a point 2030.1 feet South 00°22' West of Section Corner common to Section 10, 11, 14 and 15, Township 4 North, Range 7 East of the Willamette Meridian, said point being an iron pipe set in Westerly boundary of county road right of way known as Leete Road; from said point thence West for a distance of 450.0 feet to an iron pipe; thence South 15°45' East for a distance of 1283.1 feet to an iron pipe set in Northerly right of way boundary of Wind River Highway; thence South 57°09' East along Northerly right of way boundary of said Highway for a distance of 118.5 feet to an iron pipe set in intersection of State Highway Right of Way boundary and Westerly right of way boundary of Leete Road; thence Northerly along West right of way boundary of Leete Road for a distance of 1299.4 feet more or less to point of beginning.

SCHEDULE A

93-03-15

PARCEL 67

That portion of the Felix G. Iman D.L.C. in Section 2, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington lying Northwesterly of the 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration Electric Lines.

Also that portion of Government Lot 2 and the West Half of the Northwest Quarter of Section 2, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington lying Northwesterly of the 300 foot strip of land acquired by United States of America for the Bonneville Power Administration Transmission Lines.

PARCEL 68

Government Lots 1, 2, 3 and 5, the Southwest Quarter of the Northeast Quarter, the South Half of the Northwest Quarter, the Southwest Quarter and the Northwest Quarter of the Southeast Quarter of Section 3, Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Except that portion lying within the 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration Electric Power Transmission Lines.

93-03-20

PARCEL 54

All of Section 32; the Southwest Quarter and the Southeast Quarter of the Northwest quarter of Section 33; All in Township 3 North, Range 5 East of the Willamette Meridian in the County of Skamania, State of Washington.

93-03-22

PARCEL 48

The Southwest Quarter of Section 3, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-22 continued

PARCEL 49

The South Half of the North Half, the North Half of the Southeast Quarter, the Southeast Quarter of the Southeast Quarter and the Northwest Quarter of the Southwest Quarter in Section 4; All of Section 5, All in Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 50

All of Section 6, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 51

All of Section 10, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 52

Government Lot 4; the Southwest Quarter of the Northwest Quarter and the West Half of the Southwest Quarter of Section 3, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Except that portion lying South of the South right of way survey line of that Transmission Line easement recorded in Book 39, Page 485 as disclosed by Deed recorded in Book 39, Page 527.

93-03-23

PARCEL 55

The Southwest Quarter of the Northeast Quarter and the North Half of the Northwest Quarter of the Southeast Quarter of Section 6, Township 3 North, Range 8 East of the Willamette Meridian in the County of Skamania, State of Washington.

SCHEDULE A

93-03-29

PARCEL 57

The Southeast Quarter of the Southwest Quarter of Section 18, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 58

The East Half of the Northwest Quarter and the Northwest Quarter of the Northeast Quarter of Section 19, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 61

The Northeast Quarter of the Northeast Quarter of Section 36, Township 4 North, Range 7 1/2 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-30

PARCEL 53

The North Half of the Northwest Quarter and the Southwest Quarter of the Northwest quarter of Section 33, Township 3 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-34

PARCEL 40

The East Half of the East Half and the Southwest Quarter of the Northeast Quarter of Section 7; All of Section 8; the North half of Section 9 and All of Section 17; all in Township 2 North, Range 5 East of the Willamette Meridian in the County of Skamania, State of Washington.

Except public roads.

Also Excepting therefrom that portion conveyed to Gary Talby in Book 136, Page 837 which lies South of the North Fork of the Washougal River, in the Southeast Quarter of the Southwest Quarter of said Section 17.

SCHEDULE A

93-03-35

PARCEL 41

Government Lots 1, 2, 3 and 4 and the South Half of the North Half of Section 3, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington

PARCEL 42

Government Lots 1, 2, 3 and 4; the Northeast Quarter of the Southwest Quarter; the South Half of the Southwest Quarter; the Southwest Quarter of the Southeast Quarter, Section 4, Township 2 North, Range 5 East, of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 43

The North Half of the Southwest Quarter and the Southeast Quarter of the Southwest Quarter, Section 5, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-36

PARCEL 1

All of Section 1, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 2

The Southeast Quarter of Section 3, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 3

The South Half of Section 9, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 4

The Northeast Quarter of the Southeast Quarter and the South Half of the Southeast Quarter of Section 11, Township 2 North, Range 5 East, of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-36 Continued

PARCEL 5

The Southwest Quarter of the Northeast Quarter; the Northwest Quarter of the Southwest Quarter; the South Half of the Southwest Quarter; the Northeast Quarter of the Southeast Quarter and the South Half of the Southeast Quarter of Section 12; Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 6

All of Section 13, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 7

The East Half, the Northwest Quarter of the Southwest Quarter, the East Half of the Southwest Quarter, the Southwest Quarter of the Northwest Quarter and the East Half of the Northwest Quarter of Section 14, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Excepting therefrom a Tract of land located in the Northeast Quarter of the Northwest Quarter described as follows:

Beginning at the Northwest Corner of the Northeast Quarter of the Northwest Quarter of said Section 14; Thence South $88^{\circ}27'37''$ East, 210 feet, more or less, to the Northwesternly right-of-way line of County Road No. 1106 designated as the Washougal River Road; Thence in a Southwesterly direction following the northerly right-of-way line of said road to intersection with the West line of Northeast Quarter of Northwest Quarter of said Section 14; Thence North $01^{\circ}14'54''$ East, 200 feet, more or less, to the point of beginning.

Also Except that portion conveyed to Kevin Cornell by instrument recorded in Auditor File No. 2005159774.

PARCEL 8

The Northwest Quarter of the Northwest Quarter of Section 20, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-36 Continued

PARCEL 9

The East Half of the Northeast Quarter and the North Half of the Southeast Quarter of Section 23, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 10

The North Half of the North Half of Section 24, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 11

The East Half of the Northeast Quarter of Section 25, Township 2 North, Range 5 East of the of the Willamette Meridian, in the County of Skamania, State of Washington.

Except Lot 1 of the Boise Cascade Short Plat recorded in Book 3 of Short Plats, Page 22.

PARCEL 12

Government Lots 2, 3 & 4 of the East Half of the Southwest Quarter and the Southeast Quarter of the Southeast Quarter of Section 7, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 13

The Northwest Quarter of Section 8, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 14

All of Section 18, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 15

Government Lots 1, 3 & 4, the Northeast Quarter of the Northwest Quarter, the East Half of the Southwest Quarter and the North Half of the Northeast Quarter at Section 19, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-36 Continued

PARCEL 16

The Northwest Quarter of Section 30, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Except that portion conveyed to United States of America by instrument recorded in Book 139, Page 527.

Also Except a strip of land 300 feet in width acquired by the United States of America by instrument recorded in Book 27, Page 319.

93-03-37

PARCEL 44

The South Half of Section 17, Township 2 North, Range 6 East of the Willamette Meridian; in the County of Skamania, State of Washington.

93-03-38

PARCEL 17

The Southwest Quarter; the South Half of the Southeast Quarter; the Northwest Quarter of the Southeast Quarter; the Southwest Quarter of the Northwest Quarter; the North Half of the Northwest Quarter; the Northwest Quarter of the Northeast Quarter, in Section 25, Township 2 North, Range 5 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Excepting therefrom that portion conveyed to United States of America by instrument recorded in Book 27, Page 319.

PARCEL 18

The Northeast Quarter of the Southwest Quarter of Section 26, Township 2 North, Range 5 West of the Willamette Meridian, in the County of Skamania, State of Washington and that portion of the Southeast Quarter of said Section 26 as disclosed by Deed recorded in Book 38, Page 365 as follows:

SCHEDULE A

93-03-38 Continued

Beginning at the Southeast Corner of Section 26; thence North along the section line, 1400 feet to the true point of beginning; Thence running West to the West line of the Southeast Quarter of said section; Thence North to the Northwest corner of the Southeast Quarter of said section; Thence East to the Northeast corner of the Southeast Quarter of said section; thence South to the said point of beginning which is 1400 feet North of the Southeast corner of said section.

Excepting therefrom a strip of land 300 feet in width acquired by the United States of America for the Bonneville Power Administration's Bonneville Vancouver No. 1 and No. 2 Electric Power Transmission lines by judgment in condemnation recorded in Book 27 at Page 319.

PARCEL 19

All of Section 2, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington, lying North of the South Boundary line of the U.S. Bonneville Power Administration Power Line easement as established and surveyed in 1952.

PARCEL 20

Government Lots 1, 2 and 3; the south Half of the Northeast Quarter; the Northeast Quarter of the Southwest Quarter, the Southeast Quarter of the Northwest Quarter, The North Half of the Southeast Quarter; and that portion of the Southeast Quarter of the Southwest Quarter and the South Half of the Southeast Quarter lying North of the South Boundary line of the U.S. Bonneville Power Administration Powerline Easement as established and surveyed in 1952, all in Section 3, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 21

A tract of land in Section 4, Township 2 North, Range 6 East of the Willamette Meridian in the County of Skamania, State of Washington described as follows:

Government Lots 1, 2, 3 and 4; the South Half of the North Half; the Southeast Quarter; Excepting portions of the Southeast Quarter as follows:

That portion lying South of the South line of the Bonneville Power Line Easement as described in Book 38, Page 477.

That portion deeded to the Pacific Telephone and Telegraph Company by deed recorded January 22, 1955 in Book 39, Page 143.

SCHEDULE A

93-03-38 Continued

That portion deeded to Oregon-Washington Railroad and Navigation Company by deed recorded October 10, 1963 in Book 52, Page 88.

That portion deeded to the State of Washington, by deed recorded October 22, 1976 in Book 71, page 788.

PARCEL 22

All that portion of the Northwest Quarter in Section 9, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington lying North and West of the South Boundary line of the U.S. Bonneville Power Administration Powerline Easement as established and surveyed in 1952.

PARCEL 23

The Southeast Quarter; the South Half of the Northeast Quarter; the Southeast Quarter of the Northwest Quarter and all of Government Lot 2, all in Section 19, Township 2 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 24

Government Lot 4 in Section 3, Township 2 North, Range 7 East of the Willamette Meridian in the County of Skamania, State of Washington.

PARCEL 25

The West Half of Northwest Quarter and the South Half, 14 Section 9, Township 2 North, Range 7 East of Willamette Meridian, in the County of Skamania, State of Washington.

Excepting that portion lying West of the Thread of Greenleaf Creek.

Also Excepting that portion lying within the 300 foot strip of land acquired by the United States of America for the Bonneville Power Administration Electric Power Transmission Lines.

PARCEL 26

The West half of the Northeast Quarter; the North Half of the Southeast Quarter; the South Half of the Northwest Quarter; Government Lots 1, 8 and 9 in Section 16,

SCHEDULE A

93-03-38 Continued

Township 2 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

Excepting that portion conveyed to United States of America by instrument recorded in Book 139, Page 527.

Also Excepting a portion of said Government Lots 8 and 9 described in Book 80, Page 109, as follows:

Beginning at a point marking the intersection between the center of Greenleaf Creek and the South line of said Government Lot 9, said point being located on the North line of the B.B. Bishop Donation Land Claim; thence following the center of Greenleaf Creek in a northeasterly direction to a point in the said Government Lot 8, North 430 feet from the North line of the said Bishop Donation land claim; thence Westerly parallel to and 430 feet distant from the North line of the said Bishop Donation land claim to the centerline of the Pacific Northwest Pipeline Corporation Easement for Gas Transmission Line; thence Southwesterly along the centerline of said easement to the North line of said Bishop Donation Land Claim; Thence east along the North line of said Donation Land claim to the point of beginning.

PARCEL 27

The Southeast Quarter of Section 22; the Southwest Quarter of Section 23; the Southwest Quarter of the Northwest Quarter; the Southwest Quarter; and the Southwest Quarter of the Southeast Quarter of Section 26, All of Section 27, the East Half of the East Half of Section 28 and the North Half of the Northeast Quarter of Section 34, All in Township 3 North, Range 5 East of the Willamette Meridian, County of Skamania, State of Washington.

PARCEL 28

The Southwest Quarter of Section 26; the East Half and the Southwest Quarter of Section 34; the West Half of the East Half and the West Half of Section 35, All in Township 3 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 29

The East Half and the Southwest Quarter of Section 28, Township 3 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-38 Continued

PARCEL 30

The East Half of the Northeast Quarter; the Southwest Quarter of the Northeast Quarter; the East Half of the Southwest Quarter, the Southwest Quarter of the Southwest Quarter; and the Southeast Quarter of Section 32, Township 3 North, Range 6 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 31

The Southeast Quarter of Section 11, the South Half and Government Lots 2, 3 and 4 in Section 12; the West Half of Section 13; the North Half; the Southeast Quarter; and the North Half of the Southwest Quarter of Section 14, all in Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 32

The Southeast Quarter of the Northeast Quarter Section 22; the West Half of the West Half; the Southeast Quarter of the Northwest Quarter; the Northeast Quarter of the Southwest Quarter in Section 23, all in Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 33

The East Half of the Northwest Quarter at Section 24, Township 3, North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 34

The Southeast Quarter; Government Lots 5, 6, 7, 8 and 9 and that portion of Government Lot 10 lying Northerly of Wolf Creek, All in Section 24, Township 3 North, Range 7 1/2 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A

93-03-38 Continued

PARCEL 35

A Tract of land in Section 25, Township 3 North, Range 7½ East of the Willamette Meridian, in the County of Skamania, State of Washington described as follows:

The North Half of Northeast Quarter, the Southeast Quarter of the Northeast Quarter; the east Half of the Southwest Quarter of the Northeast Quarter; the Northeast Quarter of the Southeast Quarter; the East Half of the Northwest Quarter of the Southeast Quarter; that portion of the East 231 feet of the West 34 rods of the West Half of the Southwest Quarter of the Northeast Quarter lying Easterly of county Road No. 28.

Except that portion thereof lying Southerly of the Northerly Boundary of a strip of land 300 feet in width acquired by the United States of America for the Bonneville Power Administration's Power Transmission Lines.

Also Excepting that portion thereof deeded to Skamania County by Deed recorded June 2, 1976 in Book 71, Page 63.

Together with that portion of the North Half of the Southeast Quarter of said Section 25 lying South of that 300 foot strip of land acquired by the United States of America for Bonneville Power Administration. Also as described by Deed recorded in Book 53, Page 318.

PARCEL 36

The Northeast Quarter of the Southwest Quarter and that portion of the Southeast Quarter of the Northwest Quarter which lies at the Southeasterly side of the center of Bear Creek, Section 8, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 37

The East Half of the Southeast Quarter of Section 22, Township 3 North, Range 8 East of the Willamette Meridian, in the County of Skamania, State of Washington.

PARCEL 38

That portion of the South Half of the Southeast Quarter of Section 26, Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A**93-03-38 Continued**

Excepting therefrom the following:

Beginning at the Quarter corner common to Sections 26 & 35, Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington; Thence along the North-South centerline of section 26, North 01°38'30" East 830.00 feet to a point marked by a 1 1/2 inch diameter steel rod, said point being the true point of beginning of this description; Thence from said true point of beginning, East 1,100.00 feet to a 1 1/2 inch diameter iron pipe; Thence North 165.00 feet to a point marked by a 1 1/2 inch diameter iron pipe on line; Thence continuing North to a point on the East-West centerline of the Southeast Quarter of Section 26; Thence Westerly along said centerline to a point on the East boundary line of the Norman F. Erken, et ux, tract described in deed number 67452, recorded in Volume 56, Page 247, Skamania County deed records; Thence South along said boundary line to a point in the thread of a stream known as Trout Creek; Thence in a Westerly direction, following said thread of Trout Creek to it's intersection with the North-South centerline of said Section 26;

Thence South 01°38'30" West 139.7 feet along said centerline to a 1 1/2 inch diameter steel rod on line; Thence continuing South 01°38'30" West 275.00 feet to the true point of beginning.

Also Excepting that portion of the above described property lying Northerly of the centerline of Trout Creek and also that portion lying Northeasterly of the center of Wind River.

PARCEL 39

The Northeast Quarter and the North Half of the Southeast Quarter of Section 35, Township 4 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

SCHEDULE A**93-03-38 Continued**

Excepting therefrom the following:

Beginning at an 8" diameter Douglas Fir Tree, set as a witness to the corner of Sections 25, 26, 35 and 36, Township 4 North, Range 7 East, of the Willamette Meridian, in the County of Skamania, State of Washington by Mart C. Perkins licensed surveyor, in 1957, said tree being 262.00 feet South of said Corner; Thence Southerly along the Section line common to said Sections 35 & 36 a distance of 988.00 feet to a 1/2" by 3/4" metal rod extending 12" above the ground which is the true point of beginning of this description; Thence West 1,320.00 feet, more or less, to a 1 1/4" steel axle extending 6" above the ground; Thence South a distance of 960.00 feet to a 1 1/2" steel rod extending 6" above the ground; Thence East a distance of 1,320.00 feet, more or less, to a point on aforesaid Section line which is marked with a 1/2" by 3/4" rod extending 12" above the ground; Thence Northerly along said Section line a distance of 960.00 feet to the true point of beginning.

And further executing that portion of the above described property described in deed to Richard G. Misner, et ux, recorded June 26, 1985 in Book 84, Page 690;

Also Excepting that portion of the above described property described in Deed to Glen Richie recorded June 26, 1985 in book 84, Page 691.

Together with rights included in Boundary Line Agreement recorded February 8, 1995 in Book 148, Page 185.

93-03-40**PARCEL 45**

Government Lots 5 and 8 and the West Half of Government Lot 7, in Section 25, Township 3 North, Range 7 1/2 East of the Willamette Meridian, in the County of Skamania, State of Washington.

93-03-41**PARCEL 46**

Beginning at a point 1,980 feet East of the Southwest Corner of the Southeast Quarter of Section 25, Township 4 North, Range 7 1/2 East, of the Willamette Meridian, in the County of Skamania, State of Washington; Thence North 1,080 feet; Thence East 660 feet to the East Section line; Thence South 1,080 feet along said East line to the Southeast Corner of said Section 25; Thence West 660 feet to the Point of Beginning.

SCHEDULE A

93-03-42

PARCEL 47

The Northeast Quarter of the Northeast Quarter of Section 22, Township 3 North, Range 7 East of the Willamette Meridian, in the County of Skamania, State of Washington.

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