

Recorded at the Request of:  
After Recording Return to:

Foster Pepper & Shefelman LLP  
101 SW Main St., 15<sup>th</sup> Fl.  
Portland, OR 97204  
Attn: Michael R. Silvey

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**AMENDMENT TO TRUST DEED**

FIRST AMERICAN TITLE CO.  
67959-1

**Grantor:** TreeSource Industries, Inc.  
**Grantee (Beneficiary):** TreeSource Acquisition Company LLC  
**Grantee (Trustee):** First American Title Company

**Abbreviated Legal Description:**

That portion of the NE ¼ of the NW ¼ of Section 25,  
Township 35 North, Range 4 East, W.M.  
And that portion of the South ½ of the NW ¼ of Section 25,  
Township 35 North, Range 4East W.M.  
(see Exhibit A for complete legal description)

**Assessor's Property Tax**

**Parcel Account No(s):** See Exhibit B attached

**1. PARTIES**

This Amendment to Trust Deed ("Amendment") is entered into effective as of January 31, 2002, by and between TreeSource Industries, Inc., an Oregon corporation ("Grantor"), successor by merger to Sedro-Woolley Lumber Co. and TreeSource Acquisition Company, LLC, a Washington limited liability company ("Beneficiary"), successor to the beneficial interest of Fleet Bank, N.A., as Agent of the various financial institutions named in that certain Trust Deed dated November 30, 1992 and recorded December 11, 1992 under Official Records of Skagit County, Washington, Recording No. M-9212110104 in which First American Title Company is the Trustee ("Trust Deed"). The Trust Deed is secured by the real property more particularly described in Exhibit A attached hereto.

## 2. BANKRUPTCY

2.1 Chapter 11 Case. On September 27, 2000, Grantor and Grantor's subsidiaries (collectively "Credit Parties") commenced Chapter 11, Case Nos. 99-10932 and 99-10937 through 99-10961, respectively, (each a "Chapter 11 Case" and collectively, the "Chapter 11 Case") by filing a voluntary petition for reorganization under Chapter 11 of Title 11 of the United States, 11 U.S.C. Section 101 et. seq. (the "Bankruptcy Code") with the United States Bankruptcy Court for the Western District of Washington (the "Bankruptcy Court").

2.2 Plan of Reorganization. A Second Amended Joint Plan of Reorganization (the "Plan of Reorganization") was confirmed in the Bankruptcy Court by the Confirmation Order dated January 11, 2002. Pursuant to and in accordance with the Plan of Reorganization, Grantor and the other Credit Parties have entered into a Loan Agreement between Credit Parties and Beneficiary dated January 31, 2002 (the "Loan Agreement") and certain security and other documents pursuant to the Loan Agreement the ("Security Documents"). Pursuant to the Loan Agreement, Credit Parties have executed in favor of Beneficiary two promissory notes, each dated as of January 31, 2002 in favor of Beneficiary. The first note is in the amount of \$6,000,000 (the "New Short-Term Note") and the second is in the amount of \$8,000,000 (the "New Long-Term Note" collectively with the New-Short Term Note, the "New Notes"), as well as other consideration in exchange for Beneficiary's claims in the Chapter 11 Case. The Loan Agreement, the Security Documents, the Trust Deed and the Notes are collectively referred to herein as the "Loan Documents."

## 3. AMENDMENTS

Grantor and Beneficiary hereby amend the Trust Deed as follows:

3.1 Loan Agreement. All references in the Trust Deed to the "Credit Agreement" are hereby amended to refer to the "Loan Agreement."

3.2 Notes. All references in the Trust Deed to the "Note" are hereby amended to read "Notes" and the singular shall be changed to plural as appropriate.

3.3 Indebtedness. The term "Indebtedness" as defined on page 2 of the Trust Deed is amended so that subpart "(d)" thereof reads as follows: "(d) any other amounts now or hereafter owing to Beneficiary by Credit Parties under the Loan Documents."

[Remainder of page intentionally left blank]



4. **RATIFICATION**

Except as amended by this Amendment, the Trust Deed is hereby ratified and confirmed in all respects.

DATED this 14<sup>th</sup> day of March 2002.

**GRANTOR:**

TREESOURCE INDUSTRIES, INC., an Oregon corporation

By: *[Signature]*

Name: *Robert Lechner*

Its: *President*

**BENEFICIARY:**

TREESOURCE ACQUISITION COMPANY, LLC, a Washington limited liability company

By: *[Signature]*

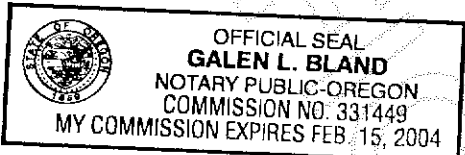
Name: *GRIFF SERVICE*

Its: *MANAGER*



STATE OF Oregon )  
County of Multnomah ) ss.

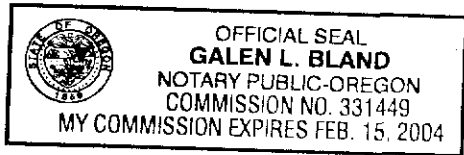
This instrument was acknowledged before me on the 14<sup>th</sup> day of March, 2002 by Robert [unclear] as President of TreeSource Industries, Inc.



[Signature]  
Notary Public for  
My Commission Expires: 2-15-04

STATE OF Oregon )  
County of Multnomah ) ss.

This instrument was acknowledged before me on the 14<sup>th</sup> day of March, 2002 by Greg Service as Manager of TreeSource Acquisition Company, LLC.



[Signature]  
Notary Public for Oregon  
My Commission Expires: 2-15-02



EXHIBIT A

Real Property

All of Grantor's property in Skagit County, Washington, including but not limited to the real property described as follows:

Parcel A

That portion of the Northeast 1/4 of the Northwest 1/4 of Section 25, Township 35 North, Range 4 East W.M. described as follows:

Beginning at a point on the Southwest marginal line of Railroad Avenue as established in the City of Sedro-Woolley at the intersection thereof with the West marginal line of Third Street produced; thence Northwesterly along the Southerly marginal line of Railroad Avenue as established to an angle in said line opposite the South end of Second Street in said city; thence West along the South marginal line of said Railroad Avenue 21.9 feet to the Northeasterly corner of that certain tract of land conveyed to the Commercial Club of Sedro Woolley by deed dated April 14, 1908 and recorded July 10, 1908, in book 68 of Deeds, page 307, records of Skagit County, Washington; thence continue along the Southerly marginal line of Railroad Avenue and being the Northerly line of "The Commercial Club" tract and said Northerly line produced (being described as North 52 degrees 51' West) to the East line of the Burlington Northern Railroad right of way (formerly the Seattle Lake Shore and Eastern Railroad right of way); thence Southerly along the Easterly line of said railroad right of way to the East-West centerline of said Northwest 1/4; thence East along the East-West centerline of said Northwest 1/4 to the West line of Third Street as platted in the Town of Sedro-Woolley and said West line produced; thence North along the West line of Third Street to the point of beginning. EXCEPT the East 7 feet thereof abutting Third Street.

TOGETHER WITH those portions of vacated Railroad Avenue which have reverted to said premises by operation of law. EXCEPT from said vacated Railroad Avenue any portion thereof lying within the boundaries of that certain tract of land conveyed to the City of Sedro-Woolley by deed recorded December 15, 1955 under Auditor's File No. 528649 records of Skagit County, Washington.

Parcel B

That portion of the South 1/2 of the Northwest 1/4 of Section 25, Township 35 North Range 4 East W.M.. described as follows:



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Beginning at a point on the East line of the Burlington Northern Railroad right of way (formerly the Seattle Lake Shore and Eastern Railroad right of way) that is 60 feet North of the South line of said Northwest 1/4 as measured at right angles to said South line; thence East along a line that is parallel with and 60 feet North of said South line to a point that is 797 feet West of the center line of Third Street in the City of Sedro-Woolley and said Third Street produced South; said point being the Southwest corner of that certain tract of land conveyed to Emma Owens by deed recorded May 27, 1969 under Auditor's File No. 727010, records of Skagit County, Washington; thence North along the West line of the Owens tract (being parallel to the centerline of Third Street) a distance of 492 feet to the Northwest corner thereof; thence East parallel to the South line of said Northwest 1/4 a distance of 180 feet to a point that is North 89 degrees 40" West 617 feet from the centerline of Third Street, said point being also the Northeast corner of the Owens tract; thence South along the East line of the Owens tract (being parallel to the centerline of Third Street) a distance of 492 feet to a point that is 60 feet North of the South line of said Northwest 1/4; thence East parallel with and 60 feet North of the South line of said Northwest 1/4 a distance of 150 feet to the Southwest corner of a tract of land conveyed to Wallace L. Parker, etux by deed recorded September 7, 1961 under Auditor's File No. 611968 records of Skagit County, Washington; thence North parallel to the center line of Third Street (being the West line of the said Parker Tract) to the Southwest corner of that certain tract of land conveyed to Willis, Rogers and Pearson Lumber Company Incorporated, a Washington Corporation by deed recorded November 15, 1971 under Auditor's File No. 760650, records of Skagit County, Washington (said point being 384.76 feet South of the North line of the Southeast 1/4 of the Northwest 1/4 of said Section 25; thence East along the South line of the said Willis, Rogers and Pearson Tract (said South line being parallel with and 384.76 feet South of the North line of said Southeast 1/4 of the Northwest 1/4 of said Section 25) a distance of 317 feet more or less to the Southeast corner of said Willis, Rogers and Pearson Tract; thence North along the East line of the Willis, Rogers and Pearson Tract a distance of 384.76 feet to the Northeast corner of the said Willis, Rogers and Pearson Tract (said point being on the North line of the Southeast 1/4 of the Northwest 1/4 of said Section 25 at a point that is 150 feet West of the center line of Third Street as established in the City of Sedro Woolley); thence West along the North line of the South 1/2 of the said Northwest 1/4 of said Section 25 to the Easterly line of the said right of way of the Burlington Northern Railroad; thence along the Easterly line of said right of way to the point of beginning.



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Parcel C

Lots 1 through 6 inclusive, Block 56, "FIRST ADDITION TO THE TOWN OF SEDRO", as per plat recorded in Volume 3 of Plats, page 29, records of Skagit County, Washington.

TOGETHER WITH that portion of vacated Second Street adjoining which upon vacation reverted to said premises by operation of law. ALSO TOGETHER WITH that portion of vacated Railroad Avenue adjoining which upon vacation reverted to said premises by operation of law.

Parcel D

Lots 18, 19 and 20, Block 55 "FIRST ADDITION TO THE TOWN OF SEDRO", as per plat recorded in Volume 3 of Plats, page 29, records of Skagit County, Washington.

TOGETHER WITH that portion of the East 1/2 of vacated Second Street adjoining which upon vacation reverted to said premises by operation of law. ALSO TOGETHER WITH the West 1/2 of that portion of vacated Metcalf Street adjoining which upon vacation reverted to said premises by operation of law. ALSO TOGETHER WITH that portion of the South 1/2 of the vacated alley adjoining said premises to the North which upon vacation reverted to said premises by operation of law. ALSO TOGETHER WITH that portion of vacated Railroad Avenue adjoining which upon vacation reverted to said premises by operation of law. ALSO TOGETHER WITH that portion of vacated Fidalgo Street adjoining said premises which upon vacation reverted to said premises by operation of law.

EXCEPT from all of the above that portion thereof lying within the boundaries of those certain tracts of land conveyed to the City of Sedro Woolley by deeds recorded December 10, 1955 under Auditor's File Numbers 528649, 528650 and 528651, records of Skagit County, Washington.

Parcel E

That portion of Lots 1, 2 and 3 lying West of the West line of vacated Metcalf Street in Block 55, "FIRST ADDITION TO THE TOWN OF SEDRO", as per plat recorded in Volume 3 of Plats, page 29, records of Skagit County, Washington.



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TOGETHER WITH that portion of the West 1/2 of vacated Metcalf Street which upon vacation reverted to said premises by operation of law (said West 1/2 of Metcalf Street being a portion of Lots 3 and 4 of said Block 55). ALSO TOGETHER WITH that portion of the East 1/2 of vacated Second Street which upon vacation reverted to said premises by operation of law.

ALSO TOGETHER WITH that portion of the North 1/2 of the vacated alley adjoining all of the above which upon vacation reverted to said premises by operation of law.

Parcel F

Lots 2 through 6, inclusive, Block 57, "FIRST ADDITION TO THE TOWN OF SEDRO", as per plat recorded in Volume 3 of Plats, page 29, records of Skagit County, Washington. TOGETHER WITH that portion of the South 25 feet of Fidalgo Street adjacent, which upon vacation reverted to said premises by operation of law.

ALSO TOGETHER WITH that portion of the Northerly 1/2 of vacated Railroad Avenue adjacent which upon vacation reverted to said premises by operation of law. EXCEPT from all of the above any portion thereof lying within the boundaries of those certain tracts of land conveyed to the City of Sedro-Woolley by deeds recorded December 10, 1955 under Auditor's File Numbers 528649, 528650 and 528651, records of Skagit County, Washington.



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**EXHIBIT B**

**Tax Parcel Numbers**

350425-2-002-0000 (P37648); 350425-2-005-0106 (P37653); 350425-2-007-0104 (P37657);  
350425-2-005-0007 (P37652); 350425-2-007-0005 (P37656); 350425-0-028-0103 (P37624);  
350425-0-029-0003 (P37625); 350425-0-030-0000 (P37627); 350425-0-028-0004 (P37623);  
4150-056-006-0006 (P75936); 4150-055-020-0000 (P75935); 4150-055-001-0003 (P75932);  
4150-057-006-0004 (P75937); 4150-055-003-0001 (P75933)



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