

):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

TRADEMARK ASSIGNMENT

Electronic Version v1.1
Stylesheet Version v1.110/27/2010
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SUBMISSION TYPE:		NEW ASSIGNMENT	
NATURE OF CONVEYANCE:		SECOND AMENDMENT ASSET PURCHASE AGREEMENT SAME AS INSIDE THE DOCUMENT	
CONVEYING PARTY DATA			
Name	Formerly	Execution Date	Entity Type
North Pacific Group, Inc.		07/28/2010	CORPORATION: OREGON
RECEIVING PARTY DATA			
Name:	McClain Forest Products, LLC		
Street Address:	200 E. 8th Street, Suite 208		
City:	Mountain Home		
State/Country:	ARKANSAS		
Postal Code:	72653		
Entity Type:	LIMITED LIABILITY COMPANY: ARKANSAS		
PROPERTY NUMBERS Total: 2			
Property Type	Number	Word Mark	
Registration Number:	3252511	SPRINGCREEK FLOORING	
Registration Number:	3252512	SPRINGCREEK FLOORING BY NORTH PACIFIC	
CORRESPONDENCE DATA			
Fax Number:	(479)521-9600		
	<i>Correspondence will be sent via US Mail when the fax attempt is unsuccessful.</i>		
Phone:	479-521-9996		
Email:	gjohnson@bassettlawfirm.com		
Correspondent Name:	Grace K. Johnson		
Address Line 1:	221 N. College		
Address Line 4:	Fayetteville, ARKANSAS 72701		
NAME OF SUBMITTER:	Grace K. Johnson, Counsel for McC FP		
Signature:	/Grace K. Johnson/		
Date:	10/27/2010		

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Total Attachments: 86

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SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Second Amendment") is entered into effective as of July 28, 2010 by and among NORTH PACIFIC GROUP, INC., an Oregon corporation, acting by and through Edward Hestmann Inc., an Oregon corporation, as its receiver, and having an address of 10200 S.W. Groeburg Road, Portland, OR 97223 ("Seller"), and MCCLAIN FOREST PRODUCTS, LLC, an Arkansas limited liability company having an address of P.O. Box 703, Mountain Home, AR 72654 ("Buyer," and together with Seller, each a "Party" and collectively the "Parties").

The Parties are parties to that certain Asset Purchase Agreement dated as of April 19, 2010 (the "APA").

The Parties hereby amend the APA by amending and restating in its entirety Section 3 of Exhibit 1 ("List of Assets") to the APA as follows:

"3. Assignment of all ownership rights, title and interest in and to and rights to use the names and registered trademarks "Springcreek Flooring," Registration Number 3252511 and "Springcreek Flooring by North Pacific," Registration Number 3252512. Such rights, title and interest shall include, but not be limited to, all registration rights with respect to the Trademarks, all rights to prepare derivative marks, any priority right that may arise from the Trademarks, all goodwill and all other rights in and to the trademarks. Such rights do not include the right to use "North Pacific" alone or with any other words, symbols or designs."

Except as otherwise provided in this Second Amendment, all of the provisions of the APA remain in full force and effect. This Second Amendment may be executed in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument and shall become binding when one or more of the counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

[Signatures page follows]

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IN WITNESS WHEREOF, this Second Amendment to Asset Purchase Agreement has been duly executed as of the date first written above.

SELLER:

BUYER:

NORTH PACIFIC GROUP, INC.

MCCLAIN FOREST PRODUCTS, LLC

By and through: Edward Hostmann Inc.,
Receiver

By: 
Name: Larry Kuebler
Title: CFO

By: _____
Name: Edward Hostmann
Title: President

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT

THIS SECOND AMENDMENT TO ASSET PURCHASE AGREEMENT (this "Second Amendment") is entered into effective as of July 28, 2010 by and among NORTH PACIFIC GROUP, INC., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as its receiver, and having an address of 4500 SW Kruse Way, Ste. 100, Lake Oswego, OR 97035 ("Seller"), and MCCLAIN FOREST PRODUCTS, LLC, an Arkansas limited liability company having an address at P.O. Box 703, Mountain Home, AR 72654 ("Buyer," and together with Seller, each a "Party" and collectively the "Parties").

The Parties are parties to that certain Asset Purchase Agreement dated as of April 19, 2010 (the "APA").

The Parties hereby amend the APA by amending and restating in its entirety Section 3 of Exhibit I ("List of Assets") to the APA as follows:

"3. Assignment of all ownership rights, title and interest in and to and rights to use the names and registered trademarks "Springcreek Flooring," Registration Number 3232511 and "Springcreek Flooring by North Pacific," Registration Number 3252512 (collectively the "Trademarks"). Such rights, title, and interest shall include, but not be limited to, all registration rights with respect to the Trademarks, all rights to prepare derivative marks, any priority right that may arise from the Trademarks, all goodwill and all other rights in and to the Trademarks. Notwithstanding the foregoing, such rights do not include the right or any license to use "North Pacific" alone or with any other words, symbols or designs."

Except as otherwise provided in this Second Amendment, all of the provisions of the APA remain in full force and effect. This Second Amendment may be executed in any number of counterparts, including facsimile or electronically scanned signatures, each of which shall constitute an original, but all of which together shall constitute one and the same instrument and shall become binding when one or more of the counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

[Signature page follows]

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GRACE K. JOHNSON COMPANY; 221 N. COLLEGE

IN WITNESS WHEREOF, this Second Amendment to Asset Purchase Agreement has been duly executed as of the date first written above.

SELLER:

BUYER:

NORTH PACIFIC GROUP, INC.

MCCLAIN FOREST PRODUCTS, LLC:

By and through: Edward Hostmann Inc.,
Receiver

By: _____
Name: Larry Rainwater
Title: CFO

By: EOH
Name: Edward Hostmann
Title: President

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*Execution Copy***ASSET PURCHASE AGREEMENT**

THIS ASSET PURCHASE AGREEMENT (this "Agreement") is made and entered into as of April 19, 2010 (the "Effective Date"), by and between NORTH PACIFIC GROUP, INC., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as its receiver, and having an address of 10200 S.W. Greenburg Road, Portland, OR 97223 ("Seller"), and MCCLAIN FOREST PRODUCTS, LLC, an Arkansas limited liability company having an address at P.O. Box 703, Mountain Home, AR 72654 ("Buyer," and together with Seller, each a "Party" and collectively the "Parties").

RECITALS

A. Seller engages in a lumber business in Raymondville, Missouri, Van Buren, Missouri and West Plains, Missouri (collectively, the "Missouri Business") and in Western Grove, Arkansas (the "Arkansas Business," and together with the Missouri Business, the "Business").

B. On January 20, 2010, certain of Seller's secured creditors filed suit against Seller in the U.S. District Court for the District of Oregon (the "Court"), which suit (the "Receivership Case") included an action for the appointment of Edward Hostmann Inc., an Oregon corporation ("Receiver"), as receiver of Seller.

C. Seller and Buyer have reached an agreement pursuant to which Buyer will purchase certain assets and assume various liabilities of Seller associated with the Business, and substantially contemporaneous with the Effective Date, Receiver intends to file motions with the Court seeking approval of the sale of such assets to and assumption of such liabilities by Buyer pursuant to this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the premises, the covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the parties hereto agree as follows:

1. **Sale of Assets.**

(a) **Transfer of Assets.** On the Closing Date (as defined below) and upon payment of the Purchase Price (as defined below), Seller shall sell, assign and transfer to Buyer, and Buyer shall purchase and acquire from Seller, the assets of Seller listed on Exhibit 1 to this Agreement (collectively, the "Assets"). Pursuant to this Agreement, Buyer shall acquire no rights to any assets or property of Seller except the Assets.

(b) **Purchase Price.** The purchase price for the Assets is set forth on Exhibit 2 to this Agreement (the "Purchase Price"). Buyer shall pay the Purchase Price to Seller by wire transfer of immediately available funds on the Closing Date.

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(c) **Assumed Liabilities.** Buyer agrees to assume as of the Closing Date, to pay and discharge in due course thereafter, and otherwise to perform in accordance with its requirements, the following obligations of the Seller: (i) all obligations secured by the Deeds of Trust held by West Plains Bank & Trust Company ("Bank") on the Purchased Real Property described on Exhibit 3 hereto (the "Mortgages"), (ii) all obligations under the Mortgages and (iii) all obligations under the contracts and leases described on Exhibit 3 hereto.

(d) **Assignment and Assumption Agreement; Quitclaim Deeds.** On the Closing Date, Buyer and Seller shall execute and deliver (i) Quitclaim Deeds in the forms attached hereto as Exhibit 4, and (ii) the Assignment and Assumption Agreement attached hereto as Exhibit 5, and any other document that Buyer reasonably may request be executed and delivered by Seller in order to accomplish the transfer of the Assets in accordance with applicable law and customary practice.

(e) **Closing.** Subject to the satisfaction of the conditions set forth in Sections 2(a) and 2(b) (or the waiver thereof by the Party entitled to waive that condition), and termination provisions set forth in Section 1(i), the closing of the sale of the Assets to Buyer (the "Closing") shall take place at the offices of Sussman Shank, LLP, 100 S.W. Broadway, Suite 1400, Portland, Oregon, or such other location as the Parties shall mutually agree, at 10:00 a.m. (Portland, Oregon time) on the earlier of (i) May 19, 2010 (the "Outside Date") or (ii) such other date as the Parties shall mutually agree, but subject to the satisfaction or waiver of the conditions set forth in Sections 2(a) and 2(b). In lieu of a physical closing, the Closing may be effected through the exchange of the requisite signed closing documents via facsimile or other electronic transmission. The date upon which the Closing occurs is the "Closing Date." Unless otherwise agreed by the Parties in writing, the Closing shall be deemed effective and all right, title and interest of Seller to be acquired by Buyer hereunder shall be considered to have passed to Buyer as of 12:01 a.m. (Portland, Oregon time) on the Closing Date.

(f) **Sale Motion; Bidding Procedures; Sale Order.** The Parties acknowledge that Seller has previously taken reasonable steps to demonstrate that it has sought to obtain the highest or best offer for the Assets. Promptly after the Effective Date, Seller and Receiver shall file with the Court and provide at Seller's expense Sufficient Notice (as defined below), motions and supporting papers in a form reasonably acceptable to Buyer (collectively, the "Sale Motion") seeking (A) the entry of an order, which shall be in substantially the form attached hereto as Exhibit 6 (the "Bidding Procedures Order"), approving procedural matters related to the Sale and (B) the entry of an order, which shall be in substantially the form attached hereto as Exhibit 7 (the "Sale Order"), providing for the approval of all of Seller's obligations under this Agreement and the documents to be executed and delivered pursuant to this Agreement (the "Sale Documents") and the authorization of Seller and Receiver to perform all of its obligations under the Sale Documents. To the extent any proposed modifications are made to the form attached hereto as Exhibit 7 and such modifications are in the reasonable judgment of Buyer material in nature, such modifications must be approved by Buyer in its reasonable discretion. Seller and Receiver shall use reasonable efforts to cause the Court to enter the Bidding Procedure Order as promptly as practicable after the Effective Date. "Sufficient Notice" means notice substantially in form attached here to as Exhibit 8 and given to (i) the parties listed on Exhibit 8-A, and (ii)

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any third party known by Seller to have a lien or claiming to have a lien on any of the Assets, and in the manner specified on Exhibit S-B.

(g) **Making of Deposit.** In lieu of a deposit, Buyer has entered into the Occupancy License Agreement ("Occupancy Agreement") dated March 24, 2010 and agreed to make certain payments (the "Occupancy Payments"). Receiver shall hold the Occupancy Payments in a segregated, interest bearing account pending the Closing or the termination of this Agreement, provided that the Receiver may disburse such funds for the limited purposes set forth in the Occupancy Agreement, and any funds not so disbursed are hereinafter referred to as the "Deposit Amount."

(h) **Release of Deposit Amount.** The Deposit Amount shall be distributed as follows:

(i) If Buyer is approved as the purchaser of the Assets at an auction as described in the Bidding Procedures Order (the "Auction"), and such bid is approved by the Court, then:

(1) upon the Closing, the Deposit Amount will be delivered to Seller to be applied against and reduce the Purchase Price;

(2) if the conditions set forth in Section 2(b) have not been satisfied by the earlier of the Termination Date (as defined below) or the Outside Date, the Deposit Amount will be delivered to Buyer, and in all other circumstances the Deposit Amount will be delivered to Seller;

(ii) If Buyer's bid is not selected at the Auction or if such bid is not approved by the Court, the Deposit Amount plus an amount equal to all Occupancy Payments disbursed by the Receiver as contemplated by subsection (g) will be delivered to Buyer or its affiliate designee on the date which is three business days after the conclusion of the Court hearing to consider the Sale Motion (the "Sale Hearing").

(iii) Upon termination of this Agreement pursuant to Section 1(i) so long as there has not occurred a breach by Buyer of this Agreement and Seller has not terminated this Agreement pursuant to Section 1(i)(iii), the Deposit Amount plus an amount equal to all Occupancy Payments disbursed by the Receiver as contemplated by subsection (g) will be delivered to Buyer or its designee on the date that is three business days after the date Seller receives notice of termination pursuant to Section 1(i), and if Seller has terminated this Agreement pursuant to Section 1(i)(iii), the Deposit Amount will be delivered to Seller.

(i) **Termination.** This Agreement may be terminated and the transactions contemplated hereby may be abandoned at any time prior to the Closing (the effective date of such termination, the "Termination Date"):

(i) by mutual written consent of Buyer and Seller;

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(ii) immediately upon receipt of written notice from Buyer or Seller, if any of the conditions in Section 2(b) (if Buyer is the terminating Party) or Section 2(a) (if Seller is the terminating Party) have not been satisfied by the Outside Date, or if satisfaction of any such conditions is or becomes impossible, in each case other than through the failure of the terminating Party or its affiliate to comply with such Party's or affiliate's obligations under this Agreement by such date;

(iii) by Buyer or Seller, if there shall be a breach by the other or its affiliate of any representation or warranty or any covenant or agreement contained in this Agreement which would result in a failure of a condition set forth in Section 2(b) (if Buyer is the terminating Party) or Section 2(a) (if Seller is the terminating Party), and which breach cannot be cured or has not been cured by the 10th business day after the giving of written notice by the terminating Party to the non-terminating Party of such breach;

(iv) by Buyer, if the Court has not approved the Sale Order on or prior to the Outside Date, or the Sale Order is subject to a stay, temporary restraining order or injunction as of the Outside Date;

(v) by Buyer, (i) if Seller seeks to reject any of the Sale Documents in connection with Receivership Case, (ii) any bankruptcy case is commenced by Seller, or (iii) any bankruptcy case is commenced against Seller, an order for relief is entered and Seller is stayed from proceeding with transactions contemplated by this Agreement; or

(vi) by Buyer or Seller, if (1) Buyer is not approved as the purchaser of the Assets or (2) except as contemplated by Section 4(c), Seller consummates a transaction involving any of the Assets with any Person other than Buyer.

Upon any termination, the Party effecting such termination shall deliver written notice thereof to the other Parties as promptly as practicable.

(j) **Consequences of Termination.** No termination of this Agreement pursuant to Section 1(i) shall be effective until notice thereof is given to the non-terminating Party in accordance with Section 6(i) specifying the provision hereof pursuant to which such termination is made. In the event that this Agreement is validly terminated as provided herein, then each of the Parties shall be relieved of their respective duties and obligations arising under this Agreement after the date of such termination and such termination shall be without liability to Buyer, Receiver or Seller (or any of their affiliates or representatives); provided, however, that the obligations of the Parties set forth in this Section 1(i), Sections 1(h) and 4(c) shall survive any such termination and shall be enforceable hereunder. Upon the termination of this Agreement pursuant to Section 1(i), Buyer shall (at its option) destroy or promptly cause to be returned to Seller all documents and written materials obtained from Seller or Receiver in connection with this Agreement or the transactions contemplated hereby; provided, however, that the foregoing shall not apply to (i) any information that is or becomes publicly available through no fault of the party obligated to keep it confidential (or such party's affiliates or representatives); (ii) information with regard to the other party that was rightfully known by a party prior to commencement of discussions regarding the subject matter of this Agreement, as evidenced by documentation; (iii) information that was independently developed by a Party

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without use of the confidential information, as evidenced by documentation; or (iv) information rightfully disclosed to a Party by a third party without continuing restrictions on its use or disclosure.

2. Conditions to Closing.

(a) **Conditions to Obligations of Seller.** The obligations of Seller to consummate the transactions contemplated hereby are subject to the satisfaction, or waiver by Seller, of the following conditions, all as determined by Seller in its sole discretion:

(i) the representations and warranties of Buyer contained in this Agreement shall, if qualified by reference to materiality, be true and correct in all respects, and if not so qualified, shall be true and correct in all material respects, in each case on the date of this Agreement (except to the extent cured prior to the Closing Date) and on the Closing Date as though made on the Closing Date, except to the extent such representations and warranties speak as of an earlier date;

(ii) Buyer shall have performed and complied with its respective obligations and covenants required by this Agreement to be performed or complied with by it on or prior to the Closing Date in all material respects;

(iii) Buyer shall have delivered to Seller all of the items required to be delivered by Buyer as set forth in Section 1;

(iv) there shall not have been any event, circumstance, change or effect that has a material adverse effect on Buyer's ability to perform under this Agreement;

(v) the Court shall have entered the Sale Order on or before the Outside Date;
and

(vi) Buyer shall not have terminated the Occupancy Agreement.

(b) **Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated hereby are subject, at the option of Buyer, to the satisfaction, or waiver by Buyer, of the following conditions, all as determined by Buyer in its sole discretion:

(i) the representations and warranties of Seller contained in this Agreement shall, if qualified by reference to materiality, be true and correct in all respects, and if not so qualified, shall be true and correct in all material respects, in each case on the date of this Agreement (except to the extent cured prior to the Closing Date) and on the Closing Date as though made on the Closing Date, except to the extent such representations and warranties speak as of an earlier date;

(ii) there shall have been no circumstance, occurrence, event or change that has or reasonably could be expected to have a material adverse effect on (A) the Assets or the Business taken as a whole, or (B) the ability of Seller to timely satisfy and perform its obligations under this Agreement and consummate the transactions contemplated

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hereby; provided, however, that in no event shall any of the following be deemed to constitute, nor shall any of the following be taken into account in determining whether there has been or shall be, such material adverse effect: (i) general economic or business conditions or changes therein, including changes in interest or currency rates, or acts of war, civil unrest or terrorism; (ii) any occurrence or condition generally affecting the industry in which the Business operates, including any change in such conditions; (iii) any occurrence or condition arising out of the announcement of the transactions described in this Agreement or the performance of the transactions contemplated hereby (including any occurrence or condition arising out of the identity of or facts relating to the Buyer); (iv) any effect or result of a breach of this Agreement by the Buyer; or (v) changes in inventory included in the Assets based on purchases;

(iii) Seller and Receiver shall have performed and complied with their respective obligations and covenants required by this Agreement to be performed or complied with by them on or prior to the Closing Date in all material respects;

(iv) Seller and/or Receiver shall have delivered to Buyer all of the items required to be delivered by them as set forth in Section 1;

(v) Sufficient Notice shall have been provided by Receiver;

(vi) the Court shall have entered the Sale Order on or before the Outside Date and such Sale Order shall not be subject to any stay; and

(vii) Seller shall not have terminated the Occupancy Agreement.

3. Representation and Warranties.

(a) By Seller. Seller hereby represents and warrants to Buyer that:

(i) Seller is a corporation validly existing and in good standing under the laws of the State of Oregon, and has all necessary corporate power and authority to execute and deliver this Agreement and to carry out its obligations hereunder;

(ii) Seller owns each of the Assets, and Buyer will be vested at the Closing with good title to such Assets, free and clear of all liens, except for liens set forth on Schedule 3(a) and subject to entry of the Sale Order, to the fullest extent permissible under applicable law; and

(iii) Except for the representations and warranties contained in this Section 3(a), neither the Receiver, Seller nor any other person makes any other express or implied representation or warranty with respect to Seller, the Assets or the transactions contemplated hereby, and each of Seller and the Receiver disclaims any other representations or warranties, whether made by the Receiver, Seller, their affiliates or any of their respective representatives. Except for the representations and warranties contained in this Section 3(a), **THE ASSETS ARE SOLD ON AN "AS IS, WHERE IS" BASIS** as of the Closing, and Seller (a) expressly disclaims

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and negates any representation or warranty, expressed or implied, at common law, by statute, or otherwise, relating to the condition of the Assets (including any implied or expressed warranty of merchantability or fitness for a particular purpose, or of conformity to models or samples of materials) and (b) disclaims all liability and responsibility for any representation, warranty, projection, forecast, statement, or information made, communicated, or furnished (orally or in writing) to Buyer or any of its affiliates or representatives (including any opinion, information, projection, or advice that may have been or may be provided to Buyer by any director, officer, employee, agent, consultant, or representative of the Receiver, Seller or any of their affiliates).

(b) **By Buyer.** Buyer hereby represents and warrants to Seller that:

(i) Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the state of Arkansas, and has all necessary limited liability company power and authority to execute and deliver this Agreement and to carry out its obligations hereunder;

(ii) This Agreement constitutes a valid and legally binding obligation of Buyer and is enforceable against Buyer in accordance with its terms;

(iii) The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and effectively authorized by all appropriate limited liability company action of Buyer, and will not conflict with or result in any violation of or default under any provision of Buyer's organizational documents;

(iv) No consent, approval, order or authorization of, or registration, declaration, notice or filing with, any governmental authority, court or any other third party is required on the part of Buyer in connection with the execution and delivery of this Agreement or the consummation of the transaction contemplated hereby;

(v) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will (1) violate any legal requirements applicable to Buyer, except for such violations that would not have a material adverse effect on Buyer's ability to perform its obligations hereunder, or (2) violate, conflict with, result in a breach of, constitute a default under (whether with or without notice or the lapse of time or both), or accelerate or permit the acceleration of the performance required by, or give any other party the right to terminate, any contract or permit applicable to Buyer, except as would not have a material adverse effect on Buyer's ability to perform its obligations hereunder;

(vi) No suit, action or other proceeding is pending or, to Buyer's knowledge, threatened before any governmental body seeking to restrain Buyer or prohibit its entry into this Agreement or prohibit the Closing, or seeking damages against Buyer or its assets as a result of the consummation of this Agreement;

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(vii) No person has acted, directly or indirectly, as a broker, finder or financial advisor for Buyer or any of its affiliates in connection with the transactions contemplated hereby and no person is entitled to any fee or commission or like payment in respect thereof;

(viii) Buyer has, and will maintain from the date hereof through and including the Closing, sufficient funds to pay the Purchase Price and any expenses incurred by Buyer in connection with the transactions contemplated hereby in full in immediately-available funds;

(ix) Except for the representations and warranties contained in this Section 3(b), Buyer makes no other express or implied representation or warranty with respect to Buyer or the transactions contemplated hereby; and

(x) Buyer acknowledges that it has conducted to its satisfaction, its own independent investigation of the Business and, in making the determination to proceed with the transactions contemplated hereby, Buyer has relied on the results of its own independent investigation.

4. Pre-Closing Covenants.

(a) Investigation by Buyer. Subject to the confidentiality provisions set forth in Section 4(c), until the Closing, Seller shall furnish or make available to Buyer such information concerning and access to the Assets as shall be reasonably requested by Buyer. In addition, the Parties agree that so long as there is no disruption to the Business and Buyer's conduct is in accordance with the reasonable requirements of Seller and Receiver, Buyer and its agents shall be entitled to contact and engage in discussions with Business' vendors and customers, and Seller shall cooperate with Buyer to facilitate such contact and discussions. Notwithstanding any herein to the contrary, no such investigation or examination shall be permitted to the extent that it would require Seller or Receiver to disclose (i) due diligence questions, lists or investigations conducted by others, names, bids, letters of intent, expressions of interest, or other proposals received from others in connection with the transactions contemplated hereby or other information and analyses relating to such communications or (ii) information (A) subject to attorney-client privilege, (B) which would conflict with any confidentiality obligations to which Seller or Receiver is bound or (C) in violation of applicable law. Buyer and its agents agree to abide by any safety rules or rules of conduct reasonably imposed by Seller or Receiver with respect to such access and any information furnished to it or its representatives pursuant thereto.

(b) Investigation by Seller. Subject to the confidentiality provisions set forth in Section 4(c), until the Closing Buyer shall furnish to Seller and Receiver such information concerning Buyer as shall be reasonably requested, including all such information as shall be necessary to enable Seller and Receiver to verify the accuracy of the representations and warranties contained in this Agreement and to verify that the covenants of Buyer contained in this Agreement have been complied with.

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(c) **Confidentiality.**

(i) Until the Closing Date, each Party hereto shall hold in confidence, and shall cause its respective affiliates and representatives to hold in confidence, all Confidential Information obtained by any of them from any other Party or its affiliates or representatives relating to such other Party or the transactions contemplated hereby. Notwithstanding the foregoing, the Party receiving Confidential Information from the Party disclosing such Confidential Information may disclose such Confidential Information: (i) to the extent that such disclosure was previously authorized in writing by the disclosing Party; (ii) to any court or governmental body, with valid and competent jurisdiction thereof, if the receiving Party is directed to disclose such Confidential Information to and by such court or governmental body, provided that the receiving Party shall provide written notice of such disclosure to the disclosing Party; (iii) to the receiving Party's affiliates and representatives who have a need to know such information solely for purposes of assisting in regard to this Agreement and the transactions contemplated hereby, and who are subject to confidentiality obligations to the receiving Party; (iv) to the extent that disclosure is required under any applicable law; or (v) to the Court or to any person in connection with Receivership Case (such instances described in clauses (i)-(v) above being referred to herein as "Permitted Disclosures"). Except as otherwise set forth herein, no Party shall disclose or make use of, and each Party shall cause its respective affiliates and representatives not to disclose or make use of, the other Party's Confidential Information without the prior written consent of such other Party. In the event that this Agreement is terminated, each Party shall, and shall cause its respective affiliates and representatives to, promptly return to the other Party or destroy all documents (including all copies thereof) containing Confidential Information obtained from such other Party or its affiliates or representatives. "Confidential Information" means all information regarding a Party's business or affairs, including business concepts, processes, methods, trade secrets, systems, know-how, devices, formulas, product specifications, marketing methods, prices, customer lists, supplier lists, methods of operation or other information, whether in oral, written or electronic form, that is either: (A) designated in writing (including by electronic mail) as confidential; (b) is of a nature such that a reasonable Person would know it is confidential; or (c) is disclosed under circumstances such that a reasonable Person would know it is confidential. Notwithstanding the foregoing, the following information shall not be considered Confidential Information: (i) information that is or becomes publicly available through no fault of the Party obligated to keep it confidential (or such Party's affiliates or representatives); (ii) information with regard to the other Party that was rightfully known by a Party prior to commencement of discussions regarding the subject matter of this Agreement, as evidenced by documentation; (iii) information that was independently developed by a Party without use of the Confidential Information, as evidenced by documentation; and (iv) information rightfully disclosed to a Party by a third party without continuing restrictions on its use or disclosure.

(ii) Notwithstanding anything to the contrary set forth herein or in any other agreement to which the Parties are parties or by which they are bound, the Parties acknowledge and understand that this Agreement (together with the exhibits and

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schedules attached hereto) will be made publicly available, and such disclosure will not be deemed to violate any confidentiality obligations owing to any Party pursuant to this Agreement or otherwise.

(iii) This Section 4(c) shall not in any way limit the disclosure of information by Receiver, Seller or its affiliates in connection with the administration of Receivership Case, pursuant to any provision of applicable law or any order of the Court.

(iv) After the Closing, each of Seller and Receiver shall maintain as confidential and shall not use or disclose (except as required by law or as authorized in writing by Buyer in its sole discretion) any Confidential Information of Buyer or any Confidential Information in any way related to the Business or the Assets, except for Permitted Disclosures.

(v) Each Party further agrees to take all appropriate steps (and to cause each of its affiliates to take all appropriate steps) to safeguard such Confidential Information and to protect it against disclosure, misuse, espionage, loss and theft. Each Party agrees to be responsible for enforcing the terms of this Section 4(c) as to its representatives and to take such action, legal or otherwise, to the extent necessary to cause them to comply with the terms and conditions of this Section 4(c) and thereby prevent any disclosure of the Confidential Information by any of its representatives (including all actions that such Party would take to protect its own trade secrets and confidential information); provided that the actual expenses of such action, legal or otherwise, shall be paid by the Party whose Confidential Information is being safeguarded in such action, unless such action is precipitated by the failure of the Party undertaking to protect such Confidential Information to comply with its obligations under this Section 4(c). In the event any Party is required by law to disclose any Confidential Information, such Party shall promptly notify the other Party in writing, which notification shall include the nature of the legal requirement and the extent of the required disclosure, and shall cooperate reasonably with such Party to preserve the confidentiality of such information consistent with applicable law.

(d) **Insurance.** Between the Effective Date and the earlier of the Closing Date or the date of termination of this Agreement pursuant to Section 1(i), Seller shall, at its cost, keep in effect and in good standing all policies of insurance maintained by it to insure the Business and the Assets (collectively, the "Seller's Insurance Policies"). To the extent that any Seller's Insurance Policy insures against any loss, liability, claim, damage or expense resulting from, arising out of, based on or relating to occurrences arising on or after the date hereof and prior to the Closing with respect to the Business or the Assets and permit claims to be made thereunder with respect to such losses, liabilities, claims, damages or expenses after the Closing, Seller and Receiver shall use their commercially reasonable efforts to obtain an insurance certificate naming Buyer as an additional insured under Seller's Insurance Policies.

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5. Other Covenants.

(a) **Further Assurances.** Seller shall direct and deliver promptly to Buyer any inquiries, correspondence, orders, payments or other property received by Seller after the Closing Date with respect to the Assets purchased by Buyer pursuant to this Agreement.

(b) **Access to Enterprise Management Software.** For the period of 30 days immediately following the Closing, Seller will arrange for Buyer to have such access to Seller's enterprise management software relating to the Business as is reasonably necessary for operation of the Business.

(c) **Transfer Taxes.** The Buyer shall provide the Seller with resale exemption certificates as are appropriate and available to the Buyer under applicable law. Any sales, use, purchase, transfer, deed, stamp, documentary stamp, use or other similar taxes and recording charges due and which may be payable by reason of the sale of the Assets under this Agreement or the transactions contemplated herein ("Transfer Taxes") shall be borne and timely paid solely by Buyer. The Seller shall be responsible for all income, profit and similar taxes incurred or imposed on Seller with respect to the sale of the Assets by the Seller. Seller, Receiver and Buyer shall cooperate and consult with each other prior to filing any tax returns in respect of Transfer Taxes, including any available pre-sale filing procedure.

6. Miscellaneous.

(a) **Approval of Court.** Notwithstanding anything herein to the contrary, all of Seller's and Receiver's obligations under this Agreement are subject to approval of the Court.

(b) **Nonsurvival of Representations, Warranties and Covenants.** All representations, warranties, covenants and agreements of the Parties made herein or in any other agreement delivered pursuant to this Agreement shall not survive beyond the Closing and there shall be no liability in respect thereof, whether such liability has accrued prior to or after the Closing, on the part of any Party or any of its officers, directors, employees, agents or affiliates; provided, however, that the Parties' covenants set forth in Sections 4(c) and (d) and Section 5 shall survive Closing.

(c) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with respect to the purchase and sale of the Assets, and this Agreement shall not be modified, amended, waived, altered or changed except by a written agreement signed by all of the parties hereto. The failure of any party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part thereof or the right of any party thereafter to enforce each and every such provision. No waiver of any breach of this Agreement shall be held to constitute a waiver of any other subsequent breach.

(d) **Severability.** If any provision of this Agreement, or the application thereof, becomes or is declared by a court of competent jurisdiction to be illegal, invalid, void or unenforceable, the remainder of this Agreement will continue in full force and effect and the application of such provision to other persons or circumstances will be interpreted so as

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reasonably to effect the intent of the parties hereto. The parties further agree to negotiate in good faith to replace such void or unenforceable provision of this Agreement with a valid and enforceable provision that will achieve, to the extent possible, the economic, business and other purposes of such void or unenforceable provision.

(e) **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

(f) **Governing Law; Attorneys' Fees.** This Agreement and any controversy arising out of or relating to this Agreement shall be governed by and construed in accordance with the internal laws of the State of Oregon, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Oregon. The prevailing party in any claim or dispute arising out of or litigation in connection with this Agreement may recover attorneys' fees and litigation costs incurred in prosecuting or defending such claim, dispute or litigation from the nonprevailing party.

(g) **Submission to Jurisdiction; Consent to Service of Process.**

(i) **Jurisdiction and Venue.** Without limiting any Party's right to appeal any order of the Court, (1) the Court shall retain exclusive jurisdiction to enforce the terms of this Agreement and to decide any claims or disputes which may arise or result from, or be connected with, this Agreement, any breach or default hereunder, or the transactions contemplated hereby, and (2) any and all proceedings related to the foregoing shall be filed and maintained only in the Court, and the Parties hereby consent to and submit to the jurisdiction and venue of the Court and shall receive notices at such locations as indicated in Section 6(j); provided, however, that if the Receivership Case has been dismissed, the Parties agree to unconditionally and irrevocably submit to the exclusive jurisdiction of the United States federal or state courts of competent jurisdiction located in Multnomah County, State of Oregon, and any appellate court from any thereof, for the resolution of any such claim or dispute. The Parties hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the Parties agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(ii) **Service of Process.** Each of the Parties hereby consents to process being served by any Party to this Agreement in any suit, action or proceeding by delivery of a copy thereof in accordance with the provisions of Section 6(j).

(h) **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall constitute an original, but all of which together shall constitute one and the same instrument and shall become binding when one or more of the counterparts have been signed by each of the parties hereto and delivered to the other parties hereto.

(i) **Expenses.** Except as otherwise provided in this Agreement, each Party shall bear its own expenses incurred in connection with the negotiation and execution of this Agreement

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and each other agreement, document and instrument contemplated by this Agreement and the consummation of the transactions contemplated hereby and thereby.

(j) **Notices.** Any notice, request, instruction, correspondence or other document to be given hereunder by any Party hereto to the other shall be in writing and delivered and addressed as follows:

If to Buyer:

McClain Forest Products, LLC
P.O. Box 703
Mountain Home, Arkansas 72654
Attn: Larry Rainwater

If to Seller or Receiver:

Edward Hostmann, Inc.
4500 S.W. Kruse Way, Suite 100
Lake Oswego, Oregon 97035
Fax: (503) 968-6544
Attn: Edward Hostmann

With a copy (which shall not constitute notice), to:

Sussman Shank LLP
1000 S.W. Broadway, Suite 1400
Portland, Oregon 97205
Fax: (503) 248-0130
Attn: Barry Caplan

With a copy (which shall not constitute notice), to:

Perkins Coie LLP
1120 N.W. Couch Street, Tenth Floor
Portland, Oregon 97209-418
Fax: (503) 346-2022
Attn: George K. Fogg

Each of the above addresses for Notice purposes may be changed by providing appropriate Notice hereunder. Notice shall be effective only upon actual receipt.

[Signature Page Follows]

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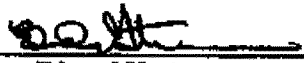
GRACE K. JOHNSON COMPANY:221 N. COLLEGE

IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be executed as of the day and year first above written.

SELLER:

NORTH PACIFIC GROUP, INC.

By and through: Edward Hostmann Inc.,
Receiver

By: 
Name: Edward Hostmann
Title: President

BUYER:

MCCLAIN FOREST PRODUCTS, LLC

By: _____
Name:
Title:

- Signature Page to Asset Purchase Agreement -

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IN WITNESS WHEREOF, the parties have caused this Asset Purchase Agreement to be executed as of the day and year first above written.

SELLER:

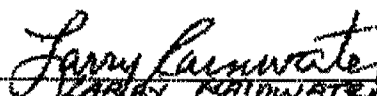
NORTH PACIFIC GROUP, INC.

By and through: Edward Hostmann Inc.,
Receiver

By: _____
Name: Edward Hostmann
Title: President

BUYER:

MCCLAIN FOREST PRODUCTS, LLC

By: 
Name: LARRY RAINWATER
Title: CEO

- Signature Page to Asset Purchase Agreement -

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Exhibit 1**List of Assets**

The Assets consist of the following:

1. All of Seller's equipment listed on Exhibit 1-A.
2. The real property described in the quitclaim deeds attached as Exhibit 4 ("Purchased Real Property").
3. A perpetual, non-exclusive, royalty free, fully paid, nontransferable, irrevocable right and license to use the name "Springcreek by North Pacific" in connection with the Business; provided that the right and license shall not include any right or license to "North Pacific" alone or with any other words, symbols or designs.

Exhibit 1

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Exhibit I-A**Purchased Equipment**

**Located at: Highway 60
Van Buren, MO**

Dip Tank

- 1 Dip tank area to include: hydraulic operating tank w/powered roll case & gravity roll case & electrics
- 1 80'x40' metal bolt together building - 3 sides open

Green Chain

- 1 3 strand x approx. 20' transfer to 6 strand singulator to 4 strand x 20' grading station to 3 strand x 60' strand green pull chain, VOCOLLECT tally system, controls, drives & electrics
- 1 Group of (23) steel sort carts
- 1 Group of (8) sticker carts
- 1 100' x 60' all metal bolted green chain building w/lights, heaters & fans

Sticker/Stacker Building - 8'-12'

- 1 Sticker/stacker designed by DESIGN AUTOMATION to include: 4 strand x 20' transfer to board singulator to 4 strand transfer, board stacker to manual sticker placer, set of powered rolls to cross transfer to 4 strand x 20' outfeed, controls, electrics, drives & hydraulics
- 1 Sticker/stacker 40'x60' L-shaped metal bolt together steel building w/lights

Exhibit I-A

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Yard

- 1 Group of yard dunnage & bunks

Kiln Stick Storage Building

- 1 Group of approx. (70) bundles of kiln stickers, non-uniform type
- 1 60'x40' all steel bolt together kiln storage building

Dry Storage

- 1 100'x40' all steel bolt together storage building w/lights (Warehouse #3)

Planer Building

- 1 3 strand x 30' transfer to break down hoist, hydraulic operated break down hoist, 26"x50' belt waste conveyor, 12"x18' reclaim sticker belt, 30"x12' incline sticker reclaim, 4 strand x 20' transfer to WINSTON transfer, drives, electrics & controls
- 1 WINSTON MACHINERY 16' custom built double end trim saw, (1) stationary saw & (1) adjustable saw, w/3 strand x 20' transfer, 4 strand x 20' lug transfer, laser lights, electrics, catwalks, 3 strand x 40' sort chain, drives, electrics & controls
- 1 Group of (6) sort carts
- 1 INDUSTRIAL 5 hp vertical air compressor, s/n:0309-9533
- 1 Group of (3) banding carts w/shelving & flammable cabinets
- 1 100'x120' all steel bolt together building w/(2) sides enclosed, lights & heaters
- 1 WILLIAMS 20"x32" hog, 100 hp w/WINSTON 24" incline conveyor w/soft start & electrics, s/n:18369

Exhibit 1-A

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1 MATHEWS 40 hp, size 2133 blower
w/electrics

1 MATHEWS 40 hp, size 917 blower
w/electrics

Cooling Shed Building

1 120'x40' all steel bolt/welded together
salvaged building

1 Group of (42) Irregular kiln sticks

Kiln #6

1 IRVINGTON MOORE 90,000 cap. side
load, fabricated aluminum
w/LIGNOMAT controls

Kilns #1 thru #3

1 Block built w/wood roof, (3) sets of
aluminum doors, electrics, fans, coils,
HONEYWELL controls on #3,
LIGNOMAT controls on #1 & #2

Kilns #4 & #5

1 Block built w/aluminum doors
w/PARTLOW analog controls

1 30'x200' Irregular welded (2) sided steel
building (salvaged)

Boiler

1 1997 SUPERIOR 4X-2007 150 lb wood
fired boiler, (2) CHICAGO under fire
fans, auger feed conveyor
w/CONVERTA-KILN controls, electrics,
BROCK bolt together silo, FLYING
DUTCHMEN 44 feeder, auger re-feed,
FLAMEX spark detector, CHICAGO
Size 28, 20 hp blower, water tank,
pump & building, s/n:13642

1 Cement sawdust silo w/cross augers,
REES exhaust fans, FLYING
DUTCHMEN unloader spiral pipe,

Exhibit I-A

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electrics & controls

- 1 Warehouse #2 - 175'x50' wood framed building
- 1 Warehouse #1 - 120'x50' wood framed building w/metal salvage addition
- Maintenance Shop**
- 1 ENERGY SYSTEM wood fired boiler, feed pumps, blowers & controls (not operating)
- 1 4 section industrial shelf w/spare parts, hose, jack, chain, hydraulic cylinders, sprockets, gear boxes, motors & misc.
- 1 WHITCO steam cleaner
- 1 THERMAL-ARC ac/dc, cc/cv gas driven welder, skid mounted w/tool bin, chain hoist, angle grinders & hand tools
- 1 Group of misc. tools to include: drill press, charger, workbench, (4) new tires, cabinet, cutoff saw, oxy/acetylene, torpedo welder & workbench
- 1 INGERSOLL RAND 15 hp horizontal air compressor w/spare tank
- 1 Forklift shop built stand, lights, VIKING lift, pressure washer & hand truck
- 1 Shop built boon w/LODESTAR hoist
- 1 Maintenance office to include: nuts, bolts, connectors, KAR products, electrical bins, pipe fittings, flammable cabinet, hand tools & electric tools
- 1 Group of (2) dump bins

Exhibit I-A

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Rolling Stock

- 1 2004 LIFT KING LK8M22 8,000 lb cap. rough terrain forklift, s/n:LT1218, Hrs:3,732 (transmission problem)
- 1 TAYLOR GT210, 21,000 lb cap., dual forklift, diesel, s/n:S-75-28061, Hrs:5,299
- 1 TAYLOR TE300, 30,000 lb cap. dual forklift, diesel, s/n:S-27-27259, Hrs:5,722
- 1 TOYOTA 7FDKU40, 8,000 lb cap. dual forklift, s/n:60776, Hrs:8,466
- 1 COMMANDER JLG 2546 electric self propelled scissor lift
- 1 CAT IT14G articulated loader, quick disconnect & forks, s/n:1WNO1028, Hrs:10,450
- 1 1984 TAYLOR TE300L, 30,000 lb dual forklift, diesel, s/n:17426, Hrs:2,183
- 1 2004 CHEV 4X4 LS1500 Silverado crew cab pickup, s/n:1GCEK19V64E390065, Lic:7SD-754, Miles:166,124
- 1 TOYOTA 7FDKU40 8,000 lb forklift, diesel, s/n:61556, Hrs:6,508

Office

- 1 Group of items to include: desks, chairs, fax machine, (4) portable moisture meters, voice tally system, (3) PC's, file cabinets, time clock & telephone system

Exhibit I-A

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**Located at: 399 N. Hwy 137
Raymondville, MO**

Dip Tank

- 1 Lumber dip tank w/hydraulic lift, hydraulic pump & controls (outside no building)
- 1 Lumber T-shed steel bolted building
- 1 Custom built 18'x20' kiln/steamer, side load w/coils, controls & electrics (walnut steamer)

Green Chain

- 1 Green chain to include: (1) 3 strand x 40' transfer to singulator to 4 strand x 12' grading station to 3 strand x 40' green pull chain, electrics, drives & controls
- 1 Group of (20) sort carts
- 1 Green chain 24'x125' all steel bolted building w/fans, heaters, mirrors & electrics

Stacker Building

- 1 DESIGN AUTOMATION stacker line to include: 4 strand x 40' transfer to powered roll outfeed, DESIGN AUTOMATION stacker w/manual sticker placer, 4 strand feed, singulator, 5 strand x 40' infeed, drives, electrics & controls
- 1 Stacker welded steel 52'x88' building w/fans, heaters, catwalks & electrics
- 1 Group of (52) bundles of stickers
- 1 NARDI side load 40'x43' kilns w/coils, LIGNOMAT controls & fans

Exhibit I-A

67253-0001/LEGAL/17966347.3

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 Group of (3) MAWEG ROBERT
HILDERBRAND kilns w/colls,
LINGOMAT controls & fans - (2) 40'x43'
& (1) 40'x48'

Cooling Shed

- 1 Cooling shed 44'x82' building, all steel
bolted w/(4) openings

Boiler Building

- 1 HURST 200 hp low pressure wood fired
boiler, 8-12 lbs w/steel silo bolted, (2)
auger feeders, boiler 18'x36' steel
building w/HURST controls & water
system (needs to be re-lined)

Planer

- 1 Planer infeed, WINSTON MACHINERY
custom built 3 strand x 40' infeed
transfer to mechanical breakdown hoist,
12'x40' sticker belt, incline sticker belt,
4 strand x 40' transfer to 4 strand 20'
accumulator, drives, controls & electrics

- 1 NEWMAN EPR-24 24", 2 head
surfacers, 60 hp top, 50 hp bottom,
HELICAL head, 24'x40' belt infeed
conveyor, WINSTON pinch rolls,
grinder (located in maintenance) &
controls, s/n:16547

- 1 WINSTON MACHINERY 16' custom
built double end trim saw, (1) stationary
saw, (1) adjustable saw w/4 strand roof
top chain x 50' to singulator, double end
16' max. trim saw, vibratory conveyor,
lug thru chain, 3 strand x 60' sort chain,
electrics, drives & controls

- 1 Group of (12) sort carts

- 1 INGERSOLL RAND T-30 5 hp air
compressor

Exhibit 1-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 Group of (4) banding carts w/tools
- 1 80'x120' bolt together all steel planer building
- 1 Finish dry warehouse #1 74'x120' all steel bolt together building

Hog Room

- 1 WILLIAMS 100 hp hog w/PHELPS 30 hp exhaust fan
- 1 WINSTON 24'x40' incline belt conveyor
- 1 20'x50' wood structure, (2) sided

Exhaust System

- 1 CYCLONE w/REES 40 hp exhaust fan, FLAMEX fire protection & abort gates

Finish Dry Storage #2

- 1 80'x100' all steel bolt together building w/lights & electrics

Rolling Stock

- 1 TAYLOR GT300 30,000 lb dual forklift, diesel, s/n:S07726439, Hrs:11,364
- 1 TAYLOR GT360 36,000 lb dual forklift, diesel, s/n:S7727549, Hrs:5,082
- 1 CAT 930 articulated loader w/forks & bucket, s/n:Z41K10107 (new meter - 310 hours)
- 1 JOHN DEERE 444J articulated loader w/quick disconnect bucket & forks, s/n:DW444JZ595002
- 1 TAYLOR TYG300 30,000 lb dual forklift, diesel, s/n:15544 (new meter - 69 hours)

Exhibit I-A

67253-0001/LEGAL/17966247.3

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 LIFT KING LK8M22 8,000 lb rough terrain forklift, s/n:LT1189, Hrs:5,895
- 1 DAEWOO D70S 15,000 lb dual forklift, diesel, s/n:FV00104, Hrs:6,455
- 1 DAEWOO D455 9,000 lb dual forklift, diesel, s/n:E800190, Hrs:11,816
- 1 1998 GMC 1500 crew cab 4X4 pickup, s/n:2GTEK19RXW1544879, Lic:988RP8, Miles:116,000
- 1 EZ GO 88M06 golf cart, s/n:509687
Maintenance
- 1 MILLERMATIC 250 cv/dc welder w/feeder
- 1 Group of LINCOLN 250 ac/dc weld table, cutoff saw, pressure washer, INGERSOLL RAND air compressor, lights, hydraulic press, flammable cabinet & (3) chain saws
- 1 Lube system, flammable cabinet, charger & workbench
- 1 Group of (2) JD tires
- 1 MILLER Bobcat 225 gas powered, skid mounted welder with oxy/acetylene
- 1 Group of nuts, bolts, electric motors & workbenches
- 1 Group of items to include: drill press, double end grinder, fan, wire cart, motors, flammable cabinet, oxy/acetylene & air compressor
- 1 Group of misc. spare parts to include: chain, wire, sprockets, filters, fittings, pulleys, couplers, bearings, hydraulic cylinders & (3) blades

Exhibit I-A

67253-0001/LEGAL/17966347.3

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 Group of upstairs items to include: fans, electric boxes, steam coils, kiln fans & misc. drives
- 1 60'x60' maintenance building, all steel bolted w/break room
- Office**
- 1 Office items to include: desk, chairs, file cabinets, scale, PC's, fax, printer & refer
- 1 Group of LIGNOMAT moisture meters
- 1 WILKENS S/A 50 ton scale w/digital readout

Site Description**Located at: 1050 Girdley Street
West Plains, MO****Rolling Stock**

- 1 2006 CHEV Z71 extended cab 4X4 pickup, gas, s/n:1GECK19B46Z230901, Lic:3CH895, Miles:67,610
- 1 2005 CHEV LS 4X4 pickup, 4 door, gas, s/n:2GCEK13T751194209, Lic:9YL172, Miles:85,378

Office

- 1 7- section modular office furniture to include: (5) PC's, L-shaped desk tops, lower cabinets, (7) chairs, printer & (1) laptop
- 1 6-section modular office furniture to include: (5) PC's, L-shaped desk tops, lower cabinets, (1) lap top, (6) chairs & typewriter

Exhibit 1-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 8-section modular office furniture to include: (7) PC's, L-shaped desk tops, lower cabinets, (8) chairs, HP printers, (2) end tables & paper shredder
- 1 2-section modular office furniture to include: (2) PC's, table, L-shaped desk tops, lower cabinets, (3) chairs & grease board
- 1 Single modular furniture to include:
L-shaped desk tops & chair
- 1 Single modular furniture to include:
U-shaped desk top, lower cabinet, (2) chairs, PC's, laptop & printer
- 1 XEROX copy machine w/collator,
s/n:4WT120069 (not operating)
- 1 Group of (2) 4 drawer file cabinets
- 1 HP L7590 fax machine w/table, cutter & misc.
- 1 U-shaped executive desk w/upper cabinet, (3) chairs & (1) PC
- 1 L-shaped executive desk w/credenza, file cabinet, (4) chairs & side table
- 1 U-shaped executive desk w/upper cabinet, side table, (6) chairs, PC, lap top, book cabinet & display board
- 1 Group of (4) side chairs
- 1 Oak bookcase
- 1 Oak (2) door hutch w/oak chair
- 1 Coat rack

Back Room

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

1 Metal shelf w/(3) PC's, keyboards, (2) monitors, (1) lap top, cell phones, cables, digital camera, hard drive, HP 4200 printer & metal shelf

1 Group of items to include: television & (4) monitors (not operating)

Storage

1 Group of (13) 4 drawer file cabinets

1 Group of (3) shelves w/misc. office supplies

1 Group of (2) shelves

Conference Room

1 Group of (6) tables w/casters

1 Group of (11) chairs

1 DELL projector w/PC & television

1 Group of grease board & folding table

Lunch Room

1 Group of (2) tables, (8) chairs, refer, cabinet & misc. supplies

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

**Located at: 24628 N. Hwy 65
Western Grove, AR**

Dip Tank

- 1 Dip tank to include: dip tank, hydraulic lift, poly tank pumps, catwalk & controls
- 1 35'x75' all bolt steel dip tank building, no sides

Green Chain

- 1 3 strand x 30' transfer to singulator, 4 strand singulator to 4 strand x 20' grading station to 2 strand x 40' green chain, drives, controls, VOCOLLECT tally system & electrics
- 1 Group fo approx. (20) sort carts
- 1 40'x100' all steel bolt green chain building, lights & heaters

Sticker/Stacker Building

- 1 Sticker stacker designed by DESIGN AUTOMATION stacker system to include: 4 strand transfer to board singulator to stacker w/manual sticker placer, to powered roll case outfeed to 4 strand x 30' transfer, drives, hydraulics, controls & electrics
- 1 Group of approx. (90) bundles of kiln stickers
- 1 Stacker 30'x75'x20'x25 metal bolt together steel building, L-shaped w/lights & heaters

Kiln #4

- 1 2003 SII dry kiln 90,000 lb cap., side load w/S11 PC-7485 programmable controller, s/n:939

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Kilns #1 thru #3

- 1 CONVERTA kiln, 70,000 lb cap., approx. 1998, side load w/PARTLOW MRC7000 controllers (needs coil repair)
- 1 CONVERTA kiln 90,000 lb cap., approx. 1998, side load (needs coil repair)
- 1 CONVERTA kiln 90,000 lb cap., approx. 1998, side load (not operating, roof & coil needs repair)
- 1 INGERSOLL RAND 3 hp, 2-stage air compressor

Boiler

- 1 1998 SUPERIOR 4X-1276 wood fired waste boiler, 15 psi low pressure, feed auger, water treatment, controls & boiler building, s/n:13962
- 1 Steel bolt silo w/FLYING DUTCHMEN 4045 auger feed to boiler, reclaim auger & CHICAGO blower, FLAMEX & cyclone

Planer

- 1 3 strand x 20' transfer to 2 arm mechanical break down holst, 12"x40' sticker reclaim belt. Lumber slide, 4 strand x 14' accumulator, table, drives, controls & electrics
- 1 NEWMAN HR24 Helicoil head, 50 hp bottom, 60 hp top head, 24"x20' belt Infeed conveyor, pinch rolls, outfeed, controls, grinder & electrics, s/n:15548
- 1 HELLE SAW Det-Tech 16' trim saw w/4 strand roof top landing table, fug chain thru trimmer, waste conveyor, 2 strand x 60' grading transfer, electrics, drives & controls
- 1 Group of (8) sort carts

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 WILLIAMS 75 hp wood hog w/18" x approx. 30' incline belt conveyor, s/n:19306
- 1 PHELPS 50 hp exhaust fan to silo from trimmer, hog & planer
- 1 Group of (2) misc. banding equipment, fans, air tank & hand tools
- 1 Planer building includes cooling shed & finish lumber, all steel bolt, 75'x360', w/lights & heat
- 1 SCHUZ 7.5 hp vertical air compressor
- 1 CAMPBELL HAUSFELD paint sprayer w/pump

Maintenance

- 1 Group of (2) flammable cabinets
- 1 Group of (2) nut/bolt bins
- 1 Group of (3) shelf units w/oil, lubes, electric supplies, lube guns, belts, lacing, safety gear, motors, weld rod & spares
- 1 Group of space heater, floor jack, wire rack, bottle jacks, stand & electric cords
- 1 Group of wheel pullers, hand tools, workbench, connectors & misc.
- 1 Group of tool boxes, oxy/acetylene & battery charger
- 1 Group of H-press, parts washer, chain, weed eaters & pressure washer
- 1 Shelf unit w/nuts, bolts, electrical, spare blades & sprockets

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 CLARKE drill press, (2) double end grinders, come-a-longs, chain & cutoff saw
- 1 Group of misc. steel racks, weld table, hoist, stands, chain saw & misc.
- 1 Group of upstairs to include: miscellaneous items, belts, pump, filters, sprockets, fans, bearings & hose
- 1 CAMPBELL HAUSFELD 5 hp vertical compressor
- 1 MILLER Bobcat 225 cc/cv, ac/dc gas driven welder, skid mounted with oxy/acetylene torch & reg.
- 1 40'x50' maintenance building, all steel bolt w/lights & heaters
- 1 500 gallon double wall diesel tank w/pump & dispenser

Rolling Stock

- 1 2004 CHEV Silverado extended cab 4X4 pickup, s/n:1GCECK19T64E200778, Lic:770-RL4, Miles:175,413
- 1 KAWASAKI 2510 mule ATV, Hrs:3,032 (not operating)
- 1 CAT DP45K, 9,000 lb dual forklift, diesel, s/n:AT19C80388, Hrs:8,385 (transmission problem)
- 1 1998 R&W 16' T/A trailer, s/n:4RWUB1628WN014252, Lic:668-706
- 1 2003 LIFT KING 6M22 6,000 lb rough terrain forklift, s/n:LT1081, Hrs:6,858 (not operating)

Exhibit I-A

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

- 1 JOHN DEERE TC 44H articulated loader w/quick disconnect bucket & fork, s/n:DWTC44H564033, Hrs:28,000(approximate?)
- 1 1992 TAYLOR GT330 33,000 lb dual forklift, diesel, s/n:S-2722113, Hrs:3,113
- 1 DAEWOO D40S-403-2 8,000 lb dual forklift, diesel, s/n:K7-0096, Hrs:6,823
- 1 NISSAN 80, 8,000 lb dual forklift, s/n:AN19C0017, Hrs:6,674
- 1 1996 TAYLOR GT330 33,000 lb dual forklift, diesel, s/n:S-2723707, Hrs:10,514
- 1* 2004 CHEV Silverado extended cab 4X4 pickup, s/n:1GCEK19B95E26522, Lic:38C-022, Miles:208,000

Office

- 1 Office equipment to include: desks, chairs, PC's, lap top, printers, cabinets & chairs
- 1 Group of (4) DELMHORST moisture meters

Exhibit 1-A

67253-0001/LEGAL/7966347.3

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit 2

Purchase Price

The Purchase Price shall be the total of (i) \$700,000, plus (ii) the amount by which (A) \$2,300,000 is greater than (B) the principal of and accrued and unpaid interest on the obligations listed under the heading of "Loans" on Exhibit 3.

The Purchase Price shall be adjusted to take into account proration of all real property taxes and assessments on the Purchased Real Property, with Buyer being responsible for such taxes as assessments starting on the Effective Date.

Exhibit 2

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit 3**Loans, Deeds of Trust and Leases****Loans:**

Loan evidenced by Promissory Note dated May 29, 2002 in the aggregate principal amount of \$2,500,000 made by Seller in favor of Bank (West Plains reference# 61845), and related Commercial Security Agreement

Loan evidenced by Promissory Note dated December 23, 2004 in the aggregate principal amount of \$1,931,066 made by Seller in favor of Bank (West Plains reference# 72988), and related Commercial Security Agreement

Loan evidenced by Promissory Note dated August 30, 2005 in the aggregate principal amount of \$400,000 made by Seller in favor of Bank (West Plains reference# 74201), and related Commercial Security Agreement

Deeds of Trust:

Real Estate Deed of Trust dated May 29, 2002 by and among Seller, Bank and John N. Wiles, as Trustee, for the property located at Hwy. 65 South, Western Grove, Searcy County, Arkansas

Real Estate Deed of Trust dated May 29, 2002 by and among Seller, Bank and John N. Wiles, as Trustee, for the property located at Hwy. 60 East, Van Buren, Carter County, Missouri

Real Estate Deed of Trust dated May 29, 2002 by and among Seller, Bank and John N. Wiles, as Trustee, for the property located at Hwy. 137 North, Raymondville, Texas County, Missouri

Real Estate Deed of Trust dated August 30, 2005 by and among Seller, Bank and John N. Wiles, as Trustee, for the property located at 1050 Girdley Street, West Plains, Howell County, Missouri

Contracts and Leases:

Retail Installment Sales Contract dated September 25, 2008 by and between Seller and Mark Martin Chevrolet (2008 Chevrolet Silverado, vin# 1GCEK19C98E197073)

Retail Installment Sales Contract dated September 25, 2008 by and between Seller and Mark Martin Chevrolet (2008 Chevrolet Silverado, vin# 2GCEK13J281282958)

Schedule dated June 3, 2005 by and between U.S. Bancorp Equipment Finance, Inc. and Seller, pursuant to Master Lease Agreement dated as of March 11, 2004 between U.S. Bancorp Equipment Finance, Inc. and Seller, for the lease of "One (1) New 24 inch Newman Machine Co. Planer with Winston Machinery Company transfer Deck and Green Chain and Webster Vibrating Conveyor"

Exhibit 3

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit 4

Outclaim Deeds and Property Descriptions

[see attached]

Exhibit 4

67253-0001\LEGAL\17968347.3

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Grantor Name and Address:

North Pacific Group, Inc.,
by and through Edward Hostmann Inc., Receiver
10200 S.W. Greenburg Road
Portland, OR 97223

After Recording Return to:

Grantee Name and Address:

McClain Forest Products, LLC
P.O. Box 703
Mountain Home, AR 72654

QUIT CLAIM DEED

This Deed is dated the ____ day of _____, 2010.

WITNESSETH THAT North Pacific Group, Inc., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as receiver ("Grantor"), for and in consideration of \$_____ and other valuable considerations, does by these presents, **REMISE, RELEASE** and **FOREVER QUIT-CLAIM** unto McClain Forest Products, LLC, an Arkansas limited liability company ("Grantee"), its successors and assigns, the following described land situate in Texas County, Missouri, to wit:

See **Exhibit A** attached hereto.

TO HAVE AND TO HOLD THE SAME, with all the rights, immunities, privileges, and appurtenances thereto belonging, unto said Grantee, and unto its successors and assigns forever, so that neither Grantor nor any other person(s), for or in name or behalf, shall or will hereafter claim or demand any right or title to the aforesaid premises or any part thereof, but they and each of them shall, by these presents, be excluded and forever barred.

[Signature Page, Acknowledgment and Exhibit A to follow]

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Fax Server

) : GRACE K. JOHNSON COMPANY: 221 N. COLLEGE

WITNESS THE HAND of said Grantor this _____ day of _____, 2010.

GRANTOR:

Edward Hostmann Inc., an Oregon corporation, as receiver for North Pacific Group, Inc., an Oregon corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me personally known, who being by me duly sworn did say that he/she is _____ of the Grantor corporation in the foregoing deed, that said deed was signed on behalf of said corporation by authority of its officers and acknowledged said deed to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State, the day and year last above written.

Notary Public for _____
Printed Name: _____
My Commission Expires: _____

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit A**Legal Description**

The following described land situate in Texas County, Missouri:

A PART OF THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 32, TOWNSHIP 31 NORTH, RANGE 8 WEST, MORE PARTICULARLY DESCRIBED AS FOLLOWS: FROM THE NORTHWEST CORNER OF SAID E1/2 OF THE NE1/4 RUN SOUTH 40 RODS, THENCE RUN EAST TO THE WEST LINE OF THE RIGHT OF WAY OF FEDERAL HIGHWAY #63, THENCE RUN WEST 210 FEET, THENCE RUN SOUTH (ON A LINE PARALLEL WITH THE WEST LINE OF SAID RIGHT OF WAY) 630 FEET FOR THE TRUE PLACE OF BEGINNING, THENCE RUN SOUTH AND PARALLEL WITH FEDERAL HIGHWAY #63 210 FEET, THENCE RUN EAST 210 FEET TO THE WEST LINE OF SAID RIGHT OF WAY, THENCE RUN NORTH WITH SAID RIGHT OF WAY 210 FEET, THENCE RUN WEST 210 FEET TO THE TRUE PLACE OF BEGINNING.

Page 3

Raymondville, Missouri.

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Grantor Name and Address:
North Pacific Group, Inc.,
by and through Edward Hostmann Inc., Receiver
10200 S.W. Greenburg Road
Portland, OR 97223

After Recording Return to:

Grantee Name and Address:
McClain Forest Products, LLC
P.O. Box 703
Mountain Home, AR 72654

QUIT CLAIM DEED

This Deed is dated the ____ day of _____, 2010.

WITNESSETH THAT North Pacific Group, Inc., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as receiver ("Grantor"), for and in consideration of \$_____ and other valuable considerations, does by these presents, REMISE, RELEASE and FOREVER QUIT-CLAIM unto McClain Forest Products, LLC, an Arkansas limited liability company ("Grantee"), its successors and assigns, the following described land situate in Carter County, Missouri, to wit:

See Exhibit A attached hereto.

TO HAVE AND TO HOLD THE SAME, with all the rights, immunities, privileges, and appurtenances thereto belonging, unto said Grantee, and unto its successors and assigns forever, so that neither Grantor nor any other person(s), for or in name or behalf, shall or will hereafter claim or demand any right or title to the aforesaid premises or any part thereof, but they and each of them shall, by these presents, be excluded and forever barred.

{Signature Page, Acknowledgment and Exhibit A to follow}

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11/5/2010 8:48:00 AM

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Fax Server

:GRACE K. JOHNSON COMPANY:221 N. COLLEGE

WITNESS THE HAND of said Grantor this _____ day of _____, 2010.

GRANTOR:

Edward Hostmann Inc., an Oregon corporation, as receiver for North Pacific Group, Inc., an Oregon corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me personally known, who being by me duly sworn did say that he/she is _____ of the Grantor corporation in the foregoing deed, that said deed was signed on behalf of said corporation by authority of its officers and acknowledged said deed to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State, the day and year last above written.

Notary Public for _____
Printed Name: _____
My Commission Expires: _____

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11/5/2010 6:46:00 AM

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): GRACE K. JOHNSON COMPANY: 221 N. COLLEGE

Exhibit A
Legal Description

The following described lands situate in Carter County, Missouri:

Parcel 1:

All that part of the East Half of Lots Two and Three of the Northeast Quarter of Section 3, Township 27 North, Range 1 East, that lies South of U.S. Highway 60 as now laid out and constructed.

ALSO, part of the West Half of Lots Two and Three of the Northeast Quarter described by metes and bounds as follows:

Beginning at a point on the South line of Lot Two of the Northeast Quarter a distance of 762 feet East of the West line of said Lot Two; thence North to the South right-of-way line of U.S. Highway 60; thence in a Southeasterly direction along said right-of-way line to the West line of the East Half of Lots Two and Three; thence South to the South line of said Lot 2; thence West along said South Lot line to the Point of Beginning, all of said lands being located in Section 3, Township 27 North, Range 1 East.

Containing in the aggregate of 50 acres, more or less.

Parcel 2:

A part of Lots 1 and 2 of the Northwest Quarter of Section 2, Township 27 North, Range 1 East, Carter County, Missouri, described as: Beginning at the one-quarter section corner common to Sections 2 and 3, Township 27 North, Range 1 East; thence along the Section line North 4°30' East 1943.0 feet to the right of way line of Highway No. 60; thence along the right of way line South 52°30' East 1232.1 feet; thence South 4°30' West 1443.4 feet to the centerline of Section 2; thence North 76°07' West 1047.2 feet to the point of beginning, containing 40.16 acres, more or less.

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Grantor Name and Address:
North Pacific Group, Inc.,
by and through Edward Hostmann Inc., Receiver
10200 S.W. Greenburg Road
Portland, OR 97223

After Recording Return to:

Grantee Name and Address:
McClain Forest Products, LLC
P.O. Box 703
Mountain Home, AR 72654

QUIT CLAIM DEED

This Deed is dated the ____ day of _____, 2010.

WITNESSETH THAT North Pacific Group, Inc., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as receiver ("Grantor"), for and in consideration of \$_____ and other valuable considerations, does by these presents, REMISE, RELEASE and FOREVER QUIT-CLAIM unto McClain Forest Products, LLC, an Arkansas limited liability company ("Grantee"), its successors and assigns, the following described land situate in Howell County, Missouri, to wit:

See Exhibit A attached hereto.

TO HAVE AND TO HOLD THE SAME, with all the rights, immunities, privileges, and appurtenances thereto belonging, unto said Grantee, and unto its successors and assigns forever, so that neither Grantor nor any other person(s), for or in name or behalf, shall or will hereafter claim or demand any right or title to the aforesaid premises or any part thereof, but they and each of them shall, by these presents, be excluded and forever barred.

[Signature Page, Acknowledgment and Exhibit A to follow]

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11/5/2010 6:48:00 AM

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:GRACE K. JOHNSON COMPANY:221 N. COLLEGE

WITNESS THE HAND of said Grantor this _____ day of _____, 2010.

GRANTOR:

Edward Hostmann Inc., an Oregon corporation, as receiver for North Pacific Group, Inc., an Oregon corporation

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENT

STATE OF _____)
) ss.
County of _____)

On this _____ day of _____, 2010, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, to me personally known, who being by me duly sworn did say that he/she is _____ of the Grantor corporation in the foregoing deed, that said deed was signed on behalf of said corporation by authority of its officers and acknowledged said deed to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal at my office in said State, the day and year last above written.

Notary Public for _____
Printed Name: _____
My Commission Expires: _____

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit A**Legal Description**

The following described land situate in Howell County, Missouri:

A part of the SW1/4 of the NE1/4 of Section 17, Township 24 North, Range 8 West described as follows: Commencing at an existing 3/4 inch iron pin at the southeast corner of said SW1/4 of the NE1/4; thence along the south line of said SW1/4 of the NE1/4, North 88 degrees 10 minutes 01 seconds West, 60.02 feet; thence North 00 degrees 20 minutes 25 seconds East, 607.87 feet to the POINT OF BEGINNING; thence North 88 degrees 10 minutes 43 seconds West, 544.61 feet; thence North 00 degrees 20 minutes 25 seconds East, 682.81 feet; thence South 88 degrees 10 minutes 43 seconds East, 544.61 feet; thence South 00 degrees 20 minutes 25 seconds West, 682.81 feet to the point of beginning, per Revised Survey No. 02131, dated 08/10/05 by Riggs and Associates, Inc.

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GRACE K. JOHNSON COMPANY; 221 N. COLLEGE

Grantor Name and Address:

North Pacific Group, Inc.,
by and through Edward Hostmann Inc., Receiver
10200 S.W. Greenburg Road
Portland, OR 97223

After Recording Return to:

Grantee Name and Address:

McClain Forest Products, LLC
P.O. Box 703
Mountain Home, AR 72654

QUIT CLAIM DEED

This Deed is dated the ____ day of _____, 2010.

Know all men by these presents that North Pacific Group, Inc., an Oregon corporation, acting by and through Edward Hostmann Inc., an Oregon corporation, as receiver ("Grantor"), organized under and by virtue of the laws of the State of Oregon by its President and Secretary, duly authorized by proper resolution of the Board of Directors, for the consideration of the sum of \$_____, and other good and valuable consideration, in hand paid by McClain Forest Products, LLC, an Arkansas limited liability company ("Grantee"), the receipt of which is hereby acknowledged, does grant, sell and quitclaim unto the said Grantee and unto Grantee's heirs and assigns forever the following described land, situate in the County of Searcy, State of Arkansas, to wit:

See Exhibit A attached hereto.

[Signature Page, Acknowledgment and Exhibit A to follow]

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);GRACE K. JOHNSON COMPANY:221 N. COLLEGE

IN TESTIMONY WHEREOF, the name of the Grantor is hereunto affixed by its President and its seal affixed by its Secretary, this _____ day of _____, 2010.

GRANTOR:

Edward Hostmann Inc., an Oregon corporation,
as receiver for North Pacific Group, Inc., an Oregon corporation

(Corporate Seal)

By: _____
President

By: _____
Secretary

ACKNOWLEDGMENT

STATE OF _____)
) ss.
County of _____)

That on this day came before me, the undersigned, a Notary Public, duly commissioned, qualified and acting, within and for the said County and State, appeared in person the within named _____ and _____ to me personally well known, who stated they were the President and Secretary of the corporation, and were duly authorized in their respective capacities to execute the foregoing instrument for and in the name and behalf of said corporation, and further stated and acknowledged that they had so signed, executed and delivered said foregoing instrument for the consideration, uses and purposes therein mentioned and set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and official this _____ day of _____, 2010.

Notary Public for _____
My Commission Expires: _____

I hereby certify under penalty of false swearing that at least the legally correct amount of documentary stamps have been placed on this instrument, McClain Forest Products, LLC, Grantee, whose address is P.O. Box 703, Mountain Home, AR 72654.

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit ALegal Description

The following described lands situate in Searcy County, Arkansas:

Part of the East Half of the Southeast Quarter of Section 6 and a Part of the West Half of the Southwest Quarter of Section 5, Township 16 North, Range 18 West, Searcy County, Arkansas, more particularly described as follows: Commencing at the Southwest Corner of said Section 6, thence North 87 degrees 56 minutes 30 seconds East 2304.20 feet, thence North 01 degrees 40 minutes 28 seconds West 1316.57 feet to the point of beginning, thence North 01 degrees 40 minutes 28 seconds West 400.00 feet to a point on a curve on the southerly right of way of U.S. Highway 65, thence with said curve in a Northeasterly direction having a delta angle of 23 degrees 25 minutes 06 seconds, a radius of 1036.30 feet, a arc length of 423.56 feet, with a long chord of North 66 degrees 46 minutes 56 seconds East 420.62 feet to the P.T.; thence North 55 degrees 04 minutes 23 seconds East 362.00 feet to a P.C.; thence with said curve to the right having a delta angle of 14 degrees 50 minutes 00 seconds, a radius of 1392.71 feet, a arc length of 360.56 feet, with a long chord of North 62 degrees 29 minutes 23 seconds East 359.55 feet to the P.T.; thence North 69 degrees 54 minutes 23 seconds East 702.00 feet to a P.C.; thence with said curve to the right having a delta angle of 76 degrees 00 minutes 00 seconds, a radius of 485.67 feet, a arc length of 644.22 feet, with a long chord of South 72 degrees 05 minutes 37 seconds East 598.02 feet to the P.T.; thence South 34 degrees 05 minutes 37 seconds East 603.12 feet, thence leaving said southerly right of way of U.S. Highway 65, South 01 degree 30 minutes 00 seconds East 426.97 feet, thence South 88 degrees 26 minutes 18 seconds West 2569.09 feet to the point of beginning.

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit 5**Assignment and Assumption Agreement**

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT (the "Agreement") is executed and delivered on and as of this ____ day of _____, 2010, by and between NORTH PACIFIC GROUP, INC., an Oregon corporation acting by and through Edward Hostmann Inc., an Oregon corporation, as receiver of North Pacific Group, Inc. (the "Seller") and MCCLAIN FOREST PRODUCTS, LLC, an Arkansas limited liability company (the "Buyer").

WITNESSETH:

WHEREAS, Seller and Buyer have entered into an Asset Purchase Agreement dated April ____, 2010 (the "Purchase Agreement"), which provides, among other things, for the sale by Seller to Buyer of the Assets; and

WHEREAS, Buyer has agreed, as partial consideration therefor, to assume the Assumed Liabilities; and

WHEREAS, this Agreement is required pursuant to the terms and conditions of the Purchase Agreement, including but not limited to the provisions of Sections 2(a) and 2(b) thereof;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Buyer and Seller agree as follows:

1. Unless otherwise defined herein, the definitions in the Purchase Agreement shall control the meaning of all capitalized terms herein.
2. Seller hereby assigns to Buyer, and Buyer hereby assumes from Seller, the Assumed Liabilities pursuant to the Purchase Agreement.
3. Except for the Assumed Liabilities, Buyer will not assume any other liabilities of Seller or related to the Assets.
4. The terms and conditions of the Purchase Agreement are expressly incorporated herein and made a part hereof by this reference. In the event of any conflict between the terms and conditions of this Agreement and the terms and conditions of the Purchase Agreement, the terms and conditions of the Purchase Agreement shall govern and control.
5. Buyer hereby accepts assignment of the Assumed Liabilities and agrees to pay or perform when due, and otherwise perform in accordance with its requirements, all of the Assumed Liabilities from and after the Closing Date.

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

6. From and after the Closing Date, Buyer shall indemnify, defend and hold Seller harmless from and against any loss, liability, claim, damage or expense (including, without limitation, reasonable attorneys' fees and expenses) arising from or otherwise relating to the Assumed Liabilities.

7. This Agreement has been executed and delivered in the State of Oregon, it being the intention of the parties that their relationship shall be governed by the laws of the State of Oregon and that their respective rights and obligations with respect to the Assumed Liabilities shall be governed by the laws of the State of Oregon, without regard to conflicts of laws principles.

8. This instrument is executed by and shall be binding on the parties as of the Closing Date.

9. This Agreement may not be modified, changed or supplemented except by written instrument signed by each party hereto.

10. This Agreement may be executed in two or more counterparts, all of which taken together shall constitute one instrument. Delivery of a copy of this Agreement bearing an original signature by facsimile transmission or by electronic mail in "portable document format" form shall have the same effect as physical delivery of the paper document bearing the original signature.

[SIGNATURES CONTAINED ON THE FOLLOWING PAGE]

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GRACE K. JOHNSON COMPANY: 221 N. COLLEGE

IN WITNESS WHEREOF, Buyer and Seller have caused this Agreement as of the day and year first above written.

SELLER:

NORTH PACIFIC GROUP, INC.

By and through: Edward Hostmann Inc., Receiver

By: _____

Name: Edward Hostmann

Title: President

BUYER:

MCCLAIN FOREST PRODUCTS, LLC

By: _____

Name:

Title:

Exhibit 5

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) : GRACE K. JOHNSON COMPANY : 221 N. COLLEGE

Exhibit 6

Bidding Procedures Order

[attached]

Exhibit 6

67253-0001/LEGAL17966347.3

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

WELLS FARGO CAPITAL FINANCE, INC., formerly known as Wells Fargo Foothill, Inc., a California operation, as *Administrative Lender and Agent* on behalf of itself, Bank of America, N.A. and The CIT Group/Business Credit, Inc.,

Plaintiff,

v.

NORTH PACIFIC GROUP, INC., an Oregon corporation; NOR PAC ENTERPRISES, INC., an Oregon corporation; RTH LUMBER CO., an Oregon corporation; and BURNS HOLDINGS, INC., a dissolved Oregon corporation,

Defendants.

Case No. CV 10-65-KI

ORDER (A) APPROVING BIDDING AND AUCTION PROCEDURES FOR SALE OF MISSOURI AND ARKANSAS REAL AND PERSONAL PROPERTY, (B) APPROVING NOTICE PROCEDURES FOR (I) THE SOLICITATION OF BIDS, (II) AN AUCTION AND (III) THE SALE HEARING; (C) SCHEDULING HEARING ON APPROVAL OF A SALE OF CERTAIN ASSETS TO MCCLAIN FOREST PRODUCTS, LLC; AND (D) GRANTING RELATED RELIEF

Upon the motion of the Edward Hostmann, Inc., as receiver (the "Receiver"), dated April __, 2010, (the "Motion")¹ for, *inter alia*, entry of an Order (i) approving bidding procedures; (ii) approving the form and manner of notice of the sale of certain assets of North Pacific Group, Inc. ("NPG") under the authority of the Receiver ("Seller"); (iii) establishing the date for an auction; (iv) establishing the date for a sale hearing; and (v) granting related relief; and the Court having found that it has jurisdiction

¹ Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement, and if not defined therein, then in the Motion.

Exhibit 6

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

and no other or further notice is necessary or required; and it appearing to the Court that based upon the representations contained in the Motion, in the declaration of Edward Hostmann, and on the record in this case, the issuance of this Order is in the best interest of North Pacific Group, Inc. ("NPG"), NOR PAC Enterprises, Inc. ("Nor Pac"), RTH Lumber Co. ("RTH"), and Burns Holdings, Inc. ("Burns," and together with NPG, Nor Pac, and RTH, "North Pacific"), their receivership estates, their creditors and their equity holders, and after due deliberation and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Bidding Procedures, attached hereto as Exhibit 1, are hereby authorized, approved and made part of this Order as if fully set forth herein. Seller is authorized to conduct a sale by auction (the "Auction") of the real and personal property of NPG located in Missouri and Arkansas described in the Motion (the "Assets") in accordance with the Purchase Agreement and pursuant to the Bidding Procedures and the terms of this Order.

2. All objections to the Bidding Procedures, as they pertain to the entry of this Order, are overruled to the extent they have not been withdrawn, waived or otherwise resolved.

3. Upon the consummation of a Sale of the Purchased Assets to any party other than McClain Forest Products, LLC (the "Stalking Horse Bidder"), the Stalking Horse Bidder shall be entitled to (i) sixty days to remove its inventory and vacate the Property; and (ii) recovery and payment of, in accordance with the terms of the Purchase Agreement, the amount of \$150,000 as the "Break-Up Fee," which amount represents as a reasonable estimate of out of pocket fees and expenses (including attorneys' fees and expenses) expected to be incurred through the date of the Sale Hearing by the Stalking Horse Bidder.

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4. The Court finds that the Break-up Fee is fair and reasonable, was negotiated by the parties in good faith and at arm's length, and is: (a) an actual and necessary cost and expense of preserving the value of NPG and its assets; (b) commensurate to the real and substantial benefit that the Stalking Horse Bidder has conferred upon NPG and its stakeholders; (c) reasonable and appropriate, in light of the size and nature of the proposed sale and comparable transactions, the commitments that have been made, and the efforts and expenses that the Stalking Horse Bidder has and will continue to make and incur; (d) necessary to induce the Stalking Horse Bidder to continue to pursue the Sale and be bound by the Purchase Agreement; and (e) necessary costs of the Sale and a sound and appropriate exercise of Seller's business judgment. The Break-Up Fee has materially induced the Stalking Horse Bidder to submit a bid that will serve as a minimum bid upon which the Seller, its creditors, and other bidders can rely. The Stalking Horse Bidder has provided a material benefit to the Seller and its creditors by increasing the likelihood that the best possible purchase price for the Purchased Assets will be received. Accordingly, the attached Bidding Procedures and Bid Protections are reasonable and appropriate and consistent with maximizing value for the benefit of the NPG's receivership estate.

5. Subject to the final determination of this Court, Seller is authorized to properly reject any and all bids, including bids at the Auction, that are (i) inadequate or insufficient, (ii) not in conformity with the requirements, terms or conditions of the Purchase Agreement, or the terms of this Order and the Bidding Procedures, or (iii) contrary to the best interests of Seller, its assets and creditors.

6. On **May 18, 2010 at 1:30 p.m. (Pacific Time)** or as soon thereafter as counsel may be heard, the Sale Hearing will be held before the Honorable Garr M. King, United States District Judge, in the United States District Court for the District of Oregon, 1000 Southwest Third Avenue, Portland, OR 97204, to consider the issuance and entry of an order, *inter alia*, approving the sale of the Assets free and clear of all

Exhibit 6

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Liens and Claims. The Sale Hearing may be adjourned one or more times without further notice by an announcement in open Court.

7. The form of Notice, in substantially the same form as annexed to the Motion (the "Notice"), is sufficient to provide effective notice to all creditors and interested persons of the Bidding Procedures, the Auction, and the Sale and is hereby approved.

8. Seller shall cause notice of the proposed sale to be published once a week for four weeks in at least one newspaper regularly issued and of general circulation in the county, state, or judicial district of the United States wherein each parcel of real property to be sold is located.

9. To the extent not previously provided or effected, within three (3) business days of entry of this Order, the Receiver shall provide notice of the Sale, the Sale hearing, and the Bidding Procedures as follows: (a) by serving a copy of the Sale Motion (with exhibits) and the Purchase Agreement (without the schedules and exhibits attached thereto) upon (i) all persons or entities required to be served pursuant to orders of this Court; (ii) all parties who to the knowledge of the Receiver and/or NPG presently hold or claim a lien upon or security in the Assets; (iii) individuals or entities believed by the Receiver to be potential purchasers of the Assets; and (iv) known counsel for any creditors known to assert a lien upon any of the Assets; (b) by serving a copy of the Notice, by first class mail, upon all creditors of NPG and all known customers of the Chinese Drywall Operations; and (c) establishing and maintaining a website accessible to the general public at which any person may access and download copies of the Sale Motion, the Purchase Agreement, the Notice, the proposed Sale Order, the Bidding Procedures and this Order. For the sake of clarity, the Receiver shall not be required to effect any of the above deliveries to the extent previously satisfied or performed by Receiver.

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): GRACE K. JOHNSON COMPANY: 221 N. COLLEGE

10. All objections to the relief requested in the Motion in connection with the actual sale of the Purchased Assets must be: (a) filed by a claimant or potential claimant, (b) in writing; (c) signed by counsel or attested to by the objecting party; (d) filed with the Clerk of the District Court, United States Courthouse, 1000 Southwest Third Avenue, Suite 740, Portland, OR 97204, on or before **May 14, 2010 at 4:00 p.m. (Pacific)** (the "Objection Deadline"); and (e) served so as to be received on or before the Objection Deadline by the following (collectively, the "Objection Notice Parties"):

(a) counsel for the Receiver: Sussman Shank LLP, 1000 SW Broadway, Suite 1400, Portland, OR 97205, Attention: Barry P. Caplan; fax: 503/248-0130;

(b) counsel for NPG's secured lenders: Miller Nash LLP, 111 S.W. Fifth Avenue, Suite 3400, Portland, OR 97204, Attention: Teresa H. Pearson; fax: 503/224-0155; and

(c) counsel for McClain Forest Products, LLC: Bassett Law Firm LLP, 221 North College Avenue, P.O. Box 3618, Fayetteville, Arkansas 72702-3618, Attention: Amanda R. Barnes; fax: 479/521-9600.

The foregoing requirements are collectively referred to herein as the "General Objection Procedures." Only those objections made in compliance with the General Objection Procedures will be considered by the Court at the Sale Hearing. The failure of any objecting person or entity to file its objections by the Objection Deadline and in accordance with the General Objection Procedures will be a bar to the assertion, at the Sale Hearing or thereafter, of any objection (including the sale of Purchased Assets free and clear of Liens and Claims).

11. Seller is hereby authorized to conduct the Sale without the necessity of complying with any state or local bulk transfer laws or requirements.

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);GRACE K. JOHNSON COMPANY:221 N. COLLEGE

12. Seller is authorized and empowered to take such steps, expend such sums of money, and do such other things as may be necessary to implement and effect the terms and requirements established by this Order.

13. The Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: April __, 2010

United States District Judge

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

EXHIBIT 1**Bidding Procedures****I. Sale Notice**

To the extent not previously provided, Seller will distribute or make available a copy of the Bidding Procedures Order and the Notice of Sale to all parties that Seller has determined, in its reasonable discretion, qualify as potential bidders based primarily upon likely interest in the Assets and financial and business ability to consummate the Sale (the "Qualified Parties"). Seller will provide a copy of the Purchase Agreement upon request to such parties.

II. Bid Deadline and Requirements for Initial Bids

An Initial Bid must be submitted on or before the Bid Deadline which is **May 14, 2010, at 4:00 p.m. (Pacific Time)**, via electronic mail or facsimile, to the following:

(a) counsel for the Receiver: Sussman Shank LLP, 1000 SW Broadway, Suite 1400, Portland, OR 97205, Attention: Barry P. Caplan; fax: 503/248-0130; email: barry@sussmanshank.com;

(b) counsel for Seller's secured lender: Miller Nash LLP, 111 S.W. Fifth Avenue, Suite 3400, Portland, OR 97204, Attention: Teresa H. Pearson; fax: 503/224-0155; email: teresa.pearson@millemash.com; and

(c) counsel for the Stalking Horse Bidder: Bassett Law Firm LLP, 221 North College Avenue, P.O. Box 3618, Fayetteville, Arkansas 72702-3618, Attention: Amanda R. Barnes; fax: 479/521-9600.

III. Due Diligence and Other Considerations

Upon execution of a confidentiality agreement in form and substance acceptable to Seller, Seller will provide reasonable access to its books, records and management to bidders for the purpose of conducting due diligence prior to the Auction. By participating in the Auction, all Qualified Parties are deemed to acknowledge that they have had sufficient and reasonable access to Seller's books, records and management for the purposes of conducting due diligence.

All Qualified Parties who submit Initial Bids shall be deemed to have read, understood, consented to and agreed to be bound by the provisions of the Bidding Procedures Order and these Bidding Procedures.

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IV. Determination of Qualified Bid Status

To qualify as an Initial Bid, the bid must, at a minimum, comply with the following requirements:

(a) The Initial Bid must be received by the Bid Deadline;

(b) The Initial Bid must contain a signed definitive asset purchase agreement (together with a copy of the signed agreement that is marked to show changes from the Purchase Agreement) (a "Qualified APA") and identifying the assets the bidder seeks to purchase and, at a minimum: (i) contain substantially identical terms and conditions as the Purchase Agreement except with higher or better consideration; (ii) contain terms and conditions no less favorable to Seller than the terms and conditions in the Purchase Agreement (provided that no Initial Bid shall provide for the payment to such bidder of any breakup fee, topping fee, expense reimbursement or other similar arrangement); (iii) provide for a cash purchase price that exceeds the Purchase Price set forth in the Purchase Agreement by at least \$100,000; and (iv) not be subject to any (a) financing contingency, (b) contingency relating to the completion of unperformed due diligence, (c) contingency relating to the approval of the bidder's board of directors or other internal approvals or consents, or (d) any conditions precedent to the bidder's obligation to purchase the Assets other than those included in the Purchase Agreement;

(c) The Initial Bid must be accompanied by the simultaneous deposit of an amount equal to \$120,000 (a "Bid Deposit") in immediately available funds as an "earnest money" deposit in an escrow account under an escrow agreement with the Escrow Agent. The escrow agreement shall provide that (i) in the event that such bidder is approved as the winning bidder by the Court, the Bid Deposit will be released to the Stalking Horse Bidder to be applied to the Break-up Fee that will be owed pursuant to the Purchase Agreement, or (ii) the Bid Deposit will be returned to such bidder if such bidder is not approved as the winning bidder by the Court;

(d) To the extent not previously provided to Seller, the Initial Bid must be accompanied by evidence satisfactory to Seller in its commercially reasonable discretion that the bidder is willing, authorized, capable and qualified financially, legally and otherwise, of unconditionally performing all obligations under the Qualified APA or its equivalent (including evidence that the bidder is pre-qualified to assume the obligations owed to West Plains Bank & Trust Company, which obligations are secured by liens against Seller's real property); in the event that it submits the Successful Bid (as defined below) at the Auction; and

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(e) Remain open and irrevocable until the earlier of the end of the second business day following the closing of the transaction and fifteen (15) days after the entry of an order by the Court approving a definitive agreement providing for the sale of the Assets to another person.

Seller and its advisors will evaluate the Initial Bids submitted and determine whether to deem any such bid a "Qualified Bid" and invite the "Qualified Bidder" to participate in the Auction. Initial Bids will be evaluated on the basis of factors such as but not limited to (i) the indicated purchase price, (ii) the Qualified Bidder's financial capacity to consummate a transaction if selected as the Successful Bid, (including whether the bidder has been pre-qualified to assume the underlying obligations owed to West Plain Bank) (iii) the extent and type of requested changes to the Purchase Agreement, (iv) any required government approvals and the perceived timing and difficulty in connection therewith; (v) the Qualified Bidder's ability to expeditiously consummate the transaction if selected as a Successful Bid, and (vi) other factors deemed appropriate in Seller's discretion. Seller will select those Initial Bids that it considers to be Qualified Bids on or before the commencement of the Auction, provided, however, that Seller reserves the right to reject any initial Bid as insufficient, and further provided, however, that, if no other Qualified Bid is received (other than that of McClain Forest Products, LLC), Seller shall have no obligation to conduct an Auction. The bid by McClain Forest Products, LLC is a Qualified Bid.

V. The Auction

In the event other Qualified Bids are received, an auction (the "Auction") of the Assets will be held at [the commencement of the Sale Hearing] on **May 18, 2010, at 1:30 p.m. (Pacific Time)** before the Honorable Garr M. King, United States District Court for the District of Oregon, 1000 Southwest Third Avenue, Portland, OR 97204, or such other location determined by Seller. The proceedings at the Auction will be transcribed by a court reporter.

McClain Forest Products, LLC, parties who submit Qualified Bids prior to the Bid Deadline, representatives of the Lender, Seller, and the professionals of the foregoing shall be entitled to attend and be heard at the Auction.

The Auction for the Purchased Assets will continue in one or more rounds of bidding and shall conclude after each such participating Bidder has had an opportunity to submit an additional overbid in an amount equal to or greater than the incremental Bid Amount (as defined below).

During the Auction, bidding shall (i) begin with the highest Qualified Bid and (ii) continue with successive bids in increments of at least **\$50,000** over and above the previous highest Qualified Bid (the "Incremental Bid Amount"), and (iii) continue thereafter in minimum increments of at least the Incremental Bid Amount.

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Prior to concluding the Auction, Seller shall (i) review each bid, if any, on the basis of its financial and contractual terms and the factors relevant to the sale process and the best interest of NPG's stakeholders, including, without limitation, those factors affecting the speed and certainty of consummating a sale transaction(s) and (ii) in consultation with the Lenders, determine and identify the highest or best bid (the "Successful Bid"). Any bid submitted after the conclusion of the Auction shall not be considered for any purpose.

Prior to the conclusion of the Auction (unless otherwise agreed to by Seller and the Successful Bidder), the Successful Bidder, if any, shall complete and sign all agreement(s), contract(s), instrument(s) or other document(s) evidencing and containing the terms and conditions upon which such bid was made, if it has not already done so.

VI. The Sale Hearing

(A) A hearing on the approval of the Sale (the "Sale Hearing") to the Successful Bidder shall be conducted by the Court on **May 18, 2010, beginning at 1:30 p.m. (Pacific Time)** or at such other time as the Court permits.

(B) Subject to Court approval following the Auction, the Successful Bidder shall purchase the Assets, free and clear of all liens, claims, interests and encumbrances, pursuant to the Sale Motion and the corresponding order of the Court approving the Sale Motion.

VII. No Expense Reimbursement

No bidder shall be entitled to reimbursement of its costs, expenses or professional fees incurred in connection with the Sale and competitive bidding process for the Assets, including formulation and submission of any bid or any due diligence efforts.

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

Exhibit 7

Sale Order

[attached]

Exhibit 7

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):GRACE K. JOHNSON COMPANY:221 N. COLLEGE

UNITED STATES DISTRICT COURT

DISTRICT OF OREGON

WELLS FARGO CAPITAL FINANCE, INC., formerly known as Wells Fargo Foothill, Inc., a California operation, as Administrative Lender and Agent on behalf of itself, Bank of America, N.A. and The CIT Group/Business Credit, Inc.,

Plaintiff,

v.

NORTH PACIFIC GROUP, INC., an Oregon corporation; NOR PAC ENTERPRISES, INC., an Oregon corporation; RTH LUMBER CO., an Oregon corporation; and BURNS HOLDINGS, INC., a dissolved Oregon corporation,

Defendants.

Case No. CV 10-65-KI

**ORDER ON MOTION FOR ORDER:
(A) AUTHORIZING SALE OF
MISSOURI AND ARKANSAS REAL
AND PERSONAL PROPERTY
PURSUANT TO ASSET PURCHASE
AGREEMENT WITH MCCLAIN
FOREST PRODUCTS, LLC, FREE AND
CLEAR OF ALL LIENS, CLAIMS,
INTERESTS AND ENCUMBRANCES;
(B) ESTABLISHING BID
PROCEDURES; AND (C) GRANTING
RELATED RELIEF**

Upon the motion of Edward Hostmann, Inc., as receiver (the "Receiver"), dated April 12, 2010, (the "Sale Motion"), for an order (the "Sale Order") approving, among other things, that certain Asset Purchase Agreement, effective March 31, 2010 (the "Purchase Agreement") between North Pacific Group, Inc., under the authority of the Receiver ("Seller") and McClain Forest Products, LLC, an Arkansas limited liability company ("Buyer"), pursuant to which Seller has agreed to sell to Buyer certain real and personal property of NPG located in Missouri and Arkansas (the "Assets"), as such

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transaction (the "Sale Transaction") is more fully set forth in the Motion and the Purchase Agreement;² and

NOW, THEREFORE, based upon all of the evidence proffered or adduced at the hearing on the Sale Motion, including the declaration of Edward Hostmann, the memoranda and objections, if any, filed in connection with the Sale Motion, and arguments of counsel made at the hearing on the Sale Motion; and upon the entire record of such hearing and this case; and after due deliberation thereon; and good cause appearing therefor;

IT IS HEREBY FOUND AND DETERMINED THAT

1. The findings and conclusions set forth herein constitute the Court's findings of fact and conclusions of law pursuant to Fed. R. Civ. P. 52. To the extent any of the following findings of fact constitute conclusions of law, they are adopted as such. To the extent any of the following conclusions of law constitute findings of fact, they are adopted as such.

2. This Court has federal diversity jurisdiction over this case and ancillary subject matter jurisdiction to hear and determine the motion and enter this Sale Order. Court is empowered to hear, determine and provide the relief requested in the Motion pursuant to this Court's Order Appointing Receiver [Docket No. 9] (the "Receiver Order") and 28 U.S.C. §§ 1651(a).

3. Pursuant to the Receiver Order, the Court appointed Edward Hostmann, Inc. as receiver of North Pacific Group, Inc. ("NPG"), NOR PAC Enterprises, Inc. ("Nor Pac"), RTH Lumber Co. ("RTH"), and Burns Holdings, Inc. ("Burns," and together with NPG, Nor Pac, and RTH, "North Pacific").

4. As described below, proper, timely, adequate and sufficient notice of the Sale Motion, the hearing on the Sale Motion and approval of the Purchase Agreement,

² Capitalized terms not defined herein shall have the meanings set forth in the Purchase Agreement. A true and correct copy of the Purchase Agreement is set forth as Exhibit A hereto.

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the Sale Transaction and the transactions contemplated thereby has been provided in accordance with the Receiver Order; such notice was good and sufficient, reasonable, and appropriate under the particular circumstances in this matter, and reasonably calculated to reach and apprise all holders of liens, claims, encumbrances, and other interests, including rights or claims based on any successor or transferee liability, about the sale of the Assets, and the Sale Transaction; and no other or further notice of the Sale Motion, the hearing or the entry of this Sale Order is required. The Receiver gave notice of the Sale Motion, the hearing on the Sale Motion and approval of the Purchase Agreement, the Sale and the transactions contemplated thereby as follows: (a) by serving a copy of the Motion (with exhibits) and the Purchase Agreement (without the schedules and exhibits attached thereto) upon (i) all persons or entities required to be served pursuant to orders of this Court; (ii) all parties who to the knowledge of the Receiver and/or NPG presently hold or claim a lien upon or security in the Assets; (iii) individuals or entities believed by the Receiver to be potential purchasers of the Assets; and (iv) known counsel for any creditors known to assert a lien upon any of the Assets; and (b) by serving a copy of a general notice of the relief requested by the Sale Motion, substantially in the form attached to the Sale Motion (the "Sale Notice"), by first class mail, upon all creditors and all known customers of the Chinese Drywall Operations.

5. All interested persons and entities, including: (i) all parties known to the Receiver and/or North Pacific to have or assert liens in the Assets, (ii) all known creditors, (iii) all entities known to have expressed an interest in potentially acquiring all or a substantial portion of NPG's assets, (iv) customers of NPG and other persons that may possess products liability claims against NPG, including Chinese Drywall Liabilities, and (vi) all entities requesting notice in this case, have been afforded a reasonable opportunity to object to or be heard regarding the relief requested in the Sale Motion.

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6. NPG, a privately-owned Oregon corporation, is a distributor of building materials and specialty products with a wide range of services. NPG operates five business units (the "Units"), from locations throughout the U.S. and worldwide, as follows: (i) Building Products Unit ("BPU"), (ii) Hardwood and Industrial Products Unit ("Hardwood Unit"), (iii) Utility and Construction Unit ("Utility Unit"), (iv) Food and Agriculture Unit ("Food and Ag Unit"), and (v) Southern Unit. The real and personal property in Missouri and Arkansas constitute only a portion of the business and assets operated by NPG prior to the Sale Transaction, and the Purchase Agreement does not concern all or substantially all of NPG's assets or operations. The Missouri and Arkansas businesses and the Assets were not involved in the conduct of the Chinese Drywall Operations of NPG.

7. NPG actively marketed the Assets. This included significant and extensive negotiations with various potential purchasers, including Buyer. Because of these efforts, there has been adequate marketing of all of NPG's assets, including the Assets, and a reasonable opportunity has been given to any interested party to make a higher or better offer for the Assets.

8. The Purchase Agreement reflects the exercise of the Receiver's sound business judgment and a proper exercise of the Receiver's fiduciary duties.

9. Approval at this time of the Purchase Agreement, and the transactions contemplated thereby, is in the best interests of NPG, its creditors, its shareholders, and other parties in interest.

10. The Receiver has demonstrated both (i) a good, sufficient and sound business purpose and justification and (ii) compelling circumstances for consummating the Sale Transaction, in that, among other things: (a) NPG has been incurring, is incurring, and is projected to continue to incur substantial operating losses; (b) a prompt sale by Seller of the Assets will maximize the value of the Assets; (c) Buyer has made a substantial offer to acquire the Assets; and (d) the marketing efforts of NPG and the

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Receiver have permitted Buyer's offer to be tested against other offers and the market generally.

11. The terms and conditions of the Purchase Agreement are fair and reasonable. The Purchase Agreement represents the highest and best offer for the Assets, and the purchase price payable thereunder is fair and reasonable and constitutes reasonably equivalent value and fair consideration under the laws of the United States (including the United States Bankruptcy Code), any state, territory, possession, or the District of Columbia.

12. The Sale Transaction and other transactions contemplated by the Purchase Agreement must be approved and consummated promptly in order to preserve the value of the Assets.

13. The Purchase Agreement was negotiated, proposed and entered into by the parties without collusion, in good faith and from arm's-length bargaining positions. Buyer is not an affiliate of, or otherwise related to, any of the North Pacific entities, the Receiver, or North Pacific's secured lenders that are identified as the Plaintiffs in this action. There is no common identity among Buyer and NPG's officers, directors or material equity owners. Buyer is a buyer in good faith of the Assets and, as such, is entitled to any protections to be afforded on account thereof.

14. Seller (i) has full corporate power and authority to execute the Purchase Agreement and all other documents contemplated thereby, and the sale of the Assets has been duly and validly authorized by all necessary corporate action, (ii) has all of the corporate power and authority necessary to consummate the transactions contemplated by the Purchase Agreement, (iii) has taken all corporate action necessary to authorize and approve the Purchase Agreement and the consummation by Seller of the transactions contemplated thereby, and (iv) needs no consents or approvals, other than those expressly provided for in the Purchase Agreement which may be waived by Buyer, to consummate such transactions.

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15. The transfer of the Assets pursuant to the Purchase Agreement (a) will be legal, valid and effective transfers of property of NPG to Buyer, and (b) except for those obligations expressly assumed, by Buyer, the transfer will vest Buyer with NPG's right, title and interest in the Assets free and clear of any and all liens, interests, encumbrances, and other interests, including rights or claims based on any successor or transferee liability.

16. Buyer would not have entered into the Purchase Agreement and would not consummate the Sale Transaction contemplated thereby, thus adversely affecting NPG, its creditors, and its shareholders, if the sale of the Assets to Buyer were not, except as otherwise provided in the Purchase Agreement, free and clear of all liens, claims, encumbrances, and interests of any kind or nature whatsoever, or if Buyer would, or in the future could, be liable for any of such liens, claims, encumbrances, or other interests, including rights or claims based on any successor or transferee liability. Buyer will not consummate the Sale Transaction unless this Court expressly orders that none of Buyer, its affiliates, their present or contemplated members or shareholders, or the Assets will have any liability whatsoever with respect to, or be required to satisfy in any manner, whether at law or equity, or by payment, setoff, or otherwise, directly or indirectly, any liens, claims, encumbrances, and other interests, including rights or claims based on any successor or transferee liability.

17. Consummation of the Sale Transaction does not subject Buyer to any debts, liabilities, obligations, commitments, responsibilities or claims of any kind against NPG or its property or any affiliate of NPG or its property, whether known or unknown, contingent or otherwise, whether existing as of the date hereof or hereafter arising. Without limiting the foregoing, (a) Buyer has not and will not expressly or implicitly assume the liability for any product liability claims against NPG or North Pacific, including any Chinese Drywall Liabilities, (b) the transaction approved by this Sale Order is not intended to constitute, and does not constitute or amount to, a merger or

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consolidation of NPG's business with the business of Buyer, (c) Buyer is not and will not be a mere continuation of NPG or NPG's business, (d) Buyer is not acquiring the assets and operations associated with NPG's Chinese Drywall Operations, (e) NPG will continue, subsequent to the Closing, to own its assets and businesses not sold under the Purchase Agreement, which assets and business will remain under the operation and supervision of the Receiver, and (f) the transaction approved by this Sale Order was not entered into to fraudulently or otherwise in order to avoid product liability claims and it is neither intended nor expected that the transaction will impair NPG's ability to respond to such claims in the future.

18. The transfer of the Assets free and clear of liens, claims and interests as provided for in this Sale Order is appropriate under the circumstances.

19. The Receiver has satisfied the provisions of 28 U.S.C. §§ 2001 and 2002, to the extent applicable.

NOW THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

- A. The Sale Motion be, and it hereby is, granted.
- B. All objections to the Sale Motion or the relief requested therein that have not been withdrawn, waived, mooted or settled, and all reservations of rights included therein, are overruled on the merits.
- C. The terms and conditions and transactions contemplated by the Purchase Agreement are hereby approved in all respects, and the Sale Transaction is hereby approved and authorized in all respects.
- D. Seller is hereby authorized, directed and empowered on the Closing Date to fully assume, perform under, consummate and implement the Purchase Agreement, together with all additional instruments and documents that may be reasonably necessary or desirable to implement the Purchase Agreement and the transactions contemplated thereby, and to take all further actions as may reasonably be requested

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by Buyer for the purpose of assigning, transferring, granting, conveying and conferring to Buyer, or reducing to possession, any or all of the Assets, or as may be necessary or appropriate to the performance of Seller's obligations as contemplated by the Purchase Agreement.

E. Except for those obligations expressly assumed by Buyer, upon the closing under the Purchase Agreement, the Assets shall be transferred to Buyer free and clear of all mortgages, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature, if any (the foregoing collectively referred to as "Liens" herein), and all debts, liabilities, obligations, commitments, responsibilities, claims, including rights or claims based on any successor or transferee liability, counterclaims, defenses, recoupments and offsets of any kind and nature, arising prior to the Closing Date or relating in any way to acts of NPG occurring prior to the Closing Date, however arising (the foregoing, and including as defined in the Purchase Agreement, collectively referred to as "Claims" herein), with all such Liens and Claims to attach to the net proceeds of the Sale Transaction in the order of their priority, with the same validity, force and effect that they now have as against the Assets, subject to the rights, claims, defenses, offsets, demands and objections, if any, of NPG and all interested parties with respect to such Liens and Claims.

F. Except for those obligations expressly assumed by Buyer under the Purchase Agreement, Buyer is not assuming nor shall it in any way whatsoever be liable or responsible, as a successor, transferee or otherwise, for any debts, liabilities, obligations, commitments or responsibilities of NPG or North Pacific or any debts, liabilities, obligations, commitments or responsibilities in any way whatsoever relating to or arising from the Assets, or NPG's operations or use or ownership of any of its assets, including the Assets, prior to consummation of the transactions contemplated by the Purchase Agreement. Without limiting the foregoing, the Sale to Buyer shall be free

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and clear of any right to pursue claims on any theory of successor or transferee liability, whether known or unknown as of the Closing of the Sale Transaction, now existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated.

G. Except as expressly permitted or otherwise specifically provided by the Purchase Agreement or this Sale Order, all persons and entities, including, but not limited to, all debt security holders, equity security holders, governmental, tax, and regulatory authorities, lenders, trade creditors, employees, litigation claimants, and other creditors, holding liens, claims, encumbrances, and other interests of any kind or nature whatsoever, including rights or claims based on any successor or transferee liability, against or in NPG or the Assets (whether legal or equitable, secured or unsecured, matured or unmatured, contingent or noncontingent, senior or subordinated), arising under or out of, in connection with, or in any way relating to, NPG, the Assets, the operation of NPG's assets, including the Assets, prior to the Closing Date, or the Sale Transaction are forever barred, estopped, and permanently enjoined from asserting against Buyer, its successors or assigns, its property, the Assets, its affiliates, or its present contemplated members or shareholders, such persons' or entities' liens, claims, encumbrances, and other interests, including rights or claims based on any successor or transferee liability.

H. Subject to the terms of the Purchase Agreement, Seller is hereby authorized and directed to (a) execute and deliver to Buyer such documents or other instruments as may be necessary to conclude the Sale.

I. If any person or entity that has filed financing statements or other documents or agreements evidencing liens on or interests in the Assets shall not have delivered to Seller prior to the Closing, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, releases of all liens or other interests that the person or entity has with respect to NPG or the Assets or otherwise, then (a) Seller is hereby authorized and directed to execute and file such

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statements, instruments, releases and other documents on behalf of the person or entity with respect to the Assets, and (b) Buyer is hereby authorized to file, register or otherwise record a certified copy of this Sale Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens or other interests of any kind or nature whatsoever in the Assets.

J. All persons or entities in possession of any of the Assets are directed to surrender possession of such Assets to Buyer or its respective designees at the time of Closing of the Sale Transaction.

K. Following the Closing of the Sale Transaction, no holder of any lien, claim, encumbrance, or other interest shall interfere with Buyer's title to, use, and enjoyment of the Assets based on, or related to, any such lien, claim, encumbrance, or other interest, or based on any actions Seller or the Receiver may take in this case.

L. All persons and entities are prohibited and enjoined from taking any action to adversely affect or interfere with the ability of Seller to transfer the Assets to Buyer in accordance with the Purchase Agreement and this Sale Order.

M. The Purchase Agreement and any related agreements, documents or other instruments may be modified, amended or supplemented by the parties thereto in accordance with the terms thereof without further order of the Court, provided that any such modification, amendment or supplement does not have a material adverse effect on Seller.

N. Buyer shall be entitled to rights of a buyer in good faith of the Assets and reversal or modification of this Sale Order upon appeal does not affect the validity of Sale or Buyer's rights from the sale whether or not Buyer knows of the pending of such appeal at closing, unless this Sale Order and the Purchase Agreement has been stayed pending appeal.

O. This Sale Order and the Purchase Agreement shall be binding in all respects upon all known and unknown creditors of, and equity security interests in,

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NPG, including any holders of liens, claims, encumbrances, or other interests, including rights or claims based on any successor or transferee liability, all successors and assigns of Buyer, NPG and its Affiliates and subsidiaries, the Receiver, the Assets, and any trustees (including a debtor-in-possession) appointed in any subsequent bankruptcy case relating to NPG and shall not be subject to rejection.

P. Subject to the provisions of, and except as provided in the Purchase Agreement, this Court retains jurisdiction (i) to enforce and implement the terms and provisions of the Purchase Agreement, all amendments thereto, any waivers and consents thereunder, and of each of the agreements executed in connection therewith, (ii) to resolve any disputes, controversies or claims arising out of or relating to the Purchase Agreement, (iii) to interpret, implement and enforce the provisions of this Sale Order, and (iv) to protect Buyer against any liability or the assertion of any lien, claim, encumbrance, or other interest, of any kind or nature whatsoever, against the Assets.

Q. To the extent applicable, Seller has satisfied the provisions of 28 U.S.C. §§ 2001 and 2002 in connection with the Sale Transaction.

R. Seller is hereby authorized and empowered to consummate the Sale Transaction without the necessity of complying with any state or local bulk transfer laws or requirements.

S. To the extent applicable, the provisions of Fed.R.Civ.P 62(a) staying the effectiveness of this Sale Order are hereby waived, and this Sale Order shall be effective, and the parties may consummate the Sale transactions immediately upon entry of this Sale Order. Time is of the essence in closing the Sale transactions and parties to the Purchase Agreement shall be authorized to close the Sale as soon as possible consistent with the terms of the Purchase Agreement.

DATED: _____, 2010

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GRACE K. JOHNSON COMPANY:221 N. COLLEGE

United States District Judge

PRESENTED BY:

SUSSMAN SHANK LLP

By: _____

Barry Caplan, OSB No. 650178

barry@sussmanshank.com

1000 SW Broadway, Suite 1400

Portland, OR 97205

(503) 227-1111

Attorneys for Edward Hostmann, Inc., as Receiver

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Exhibit 8

Sufficient Notice

[attached]

Exhibit 8

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**UNITED STATES DISTRICT COURT
DISTRICT OF OREGON**

WELLS FARGO CAPITAL FINANCE,
INC., formerly known as Wells Fargo
Foothill, Inc., a California operation, as
Administrative Lender and Agent on behalf of
itself, Bank of America, N.A. and The CIT
Group/Business Credit, Inc.,

Plaintiff,

v.

NORTH PACIFIC GROUP, INC., an Oregon
corporation; NOR PAC ENTERPRISES,
INC., an Oregon corporation; RTH LUMBER
CO., an Oregon corporation; and BURNS
HOLDINGS, INC., a dissolved Oregon
corporation,

Defendants.

Case No. CV 10-65-KI

**NOTICE OF MOTION FOR ORDER:
(A) AUTHORIZING SALE OF
MISSOURI AND ARKANSAS REAL
AND PERSONAL PROPERTY
PURSUANT TO ASSET PURCHASE
AGREEMENT WITH MCCLAIN
FOREST PRODUCTS, LLC, FREE AND
CLEAR OF ALL LIENS, CLAIMS,
INTERESTS AND ENCUMBRANCES;
(B) ESTABLISHING BID
PROCEDURES; AND (C) GRANTING
RELATED RELIEF**

**(REAL AND PERSONAL PROPERTY
IN RAYMONDVILLE, MISSOURI,
VAN BUREN, MISSOURI, WEST
PLAINS, MISSOURI, AND WESTERN
GROVE, ARKANSAS)**

**TO ALL CREDITORS, CUSTOMERS AND OTHER INTERESTED PERSONS. YOUR
RIGHTS MAY BE SIGNIFICANTLY AFFECTED BY A PROPOSED ASSET SALE.
PLEASE TAKE NOTICE OF THE FOLLOWING:**

1. **Appointment of Receiver.** On January 20, 2010, the United States District Court for the District of Oregon (the "Court"), in Case No. CV-10-65-ST (the "Receivership Case") entered its Order Appointing Receiver, appointing Edward Hostmann, Inc. as the receiver (the "Receiver") for North Pacific Group, Inc. ("NPG"), NOR PAC Enterprises, Inc. ("Nor Pac"), RTH Lumber Co. ("RTH"), and Burns Holdings, Inc. ("Burns," and together with NPG, Nor Pac, and RTH, "North Pacific").

2. **The Sale Motion.** On April __, 2010, the Receiver filed a Motion for Order: (A) Authorizing Sale of Missouri and Arkansas Real and Personal Property Pursuant to Asset Purchase Agreement with McClain Forest Products, LLC, Free and Clear of All Liens, Claims, Interests and Encumbrances; (B) Establishing Bid

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Procedures; and (C) Granting Related Relief (the "Sale Motion").³ The Sale Motion has been docketed in the Receivership Case as Docket No. ___. The Sale Motion seeks, among other things, Court approval of (i) that certain Asset Purchase Agreement, effective March 31, 2010 (the "Purchase Agreement"), between North Pacific Group, Inc., under the authority of the Receiver ("Seller") and McClain Forest Products, LLC ("Buyer"), pursuant to which Seller has agreed to (i) sell to Buyer certain real and personal property in Missouri and Arkansas; and (ii) procedures that will govern any competing bids.

(a) **The Real Property.**⁴ Seller seeks to sell real property at its Raymondville, Missouri, Van Buren, Missouri, West Plains, Missouri, and Western Grove, Arkansas lumber business locations, as further described in the Purchase Agreement (the "Real Property"). As part of the transaction Seller will assume and agree to pay up to \$2.3 million of obligations secured by the Real Property.

(b) **The Personal Property.** Seller also seeks to sell certain equipment, and to license the name "Springcreek by North Pacific," as further described in the Purchase Agreement. In addition, Buyer will assume and pay certain additional lease and contract obligations including a \$46,000 lease obligation owed to US Bancorp Equipment Finance for a Planer and related equipment (the "Personal Property" and, together with the Real Property, the "Assets").

(c) **Purchase Price.** The purchase price for the Assets is \$700,000 plus the assumption of up to \$2.3 million of obligations secured by the Real Property, together with the assumption of certain additional lease and contract obligations, all as more specifically provided in the Purchase Agreement.

(d) **Sale Free and Clear of Liens and Claims.** Except for obligations being assumed by the Seller, the Sale Motion seeks to transfer the Assets to Buyer free and clear of all mortgages, security interests, conditional sale or other title retention agreements, pledges, liens, judgments, demands, encumbrances, easements, restrictions or charges of any kind or nature, if any, and all debts, liabilities, obligations, commitments, responsibilities, claims, including rights or claims based on any successor or transferee liability, counterclaims, defenses, and offsets of any kind and nature, with all such Liens and Claims to attach to the net proceeds of the Sale Transaction in the order of their priority. **The proposed form of order approving the Sale Motion (the "Proposed Order") further provides that the sale of the Assets to Buyer shall be free and clear of any right to pursue claims on any theory of successor or transferee liability, whether known or unknown as of the Closing of the Sale Transaction, now**

³ Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement, and if not defined therein, then in the Sale Motion.

⁴ The following constitutes a summary of certain terms of the Purchase Agreement that is intended solely as a summary, and shall not in any way modify or control the terms of the Purchase Agreement.

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existing or hereafter arising, asserted or unasserted, fixed or contingent, liquidated or unliquidated.

(e) **Bidding Procedures.** The Sale Motion further seeks approval of Bidding Procedures that will govern any competing bids for the Assets. The proposed Bidding Procedures, which may be viewed as set forth in paragraph 5 below, include a **proposed Bid Deadline of May 14, 2010 at 4:00 p.m. (Pacific Time).**

3. **Deadline for Objections to Sale Motion.** All objections to the relief requested in the Sale Motion must be: (a) in writing; (b) signed by counsel or attested to by the objecting party; (c) filed with the Clerk of the Court, United States Courthouse, 1000 Southwest Third Avenue, Suite 740, Portland, OR 97204 **on or before May 14, 2010, at 4:00 p.m. (Pacific Time) (the "Objection Deadline")**; and (d) served so as to be received on or before the Objection Deadline by the following: (i) counsel for the Receiver: Sussman Shank LLP, 1000 SW Broadway, Suite 1400, Portland, OR 97205, Attention: Barry P. Caplan; fax: 503/248-0130; (ii) counsel for NPG's secured lenders: Miller Nash LLP, 111 S.W. Fifth Avenue, Suite 3400, Portland, OR 97204, Attention: Teresa H. Pearson; fax: 503/224-0155; and (iii) counsel for the Buyer: Bassett Law Firm LLP, 221 North College Avenue, P.O. Box 3618, Fayetteville, Arkansas 72702-3618, Attention: Amanda R. Barnes; fax: 479/521-9600.

4. **The Sale Hearing.** A hearing on the approval of the Sale Motion (the "Sale Hearing") shall be conducted before the Honorable Garr M. King, United States District Judge, in the United States District Court for the District of Oregon, 1000 Southwest Third Avenue, Portland, OR 97204 **on May 18, 2010 at 1:30 p.m. (Pacific Time)**, or at such other date and time as the Court directs.

5. **Access to Documents.** Copies of the Sale Motion, the Purchase Agreement, the Proposed Order, and the proposed Bidding Procedures and related order may be examined by interested parties between the hours of 8:00 a.m. and 3:00 p.m. (PT) at the office of the Clerk of the Court: United States Courthouse, 1000 Southwest Third Avenue, Suite 740, Portland, OR 97204. Copies also will be provided upon request to Receiver's counsel, Attention: Kathy Moody, kathym@sussmanshank.com, 503/227-1111. Additional information regarding the Assets and copies of the foregoing may be accessed and downloaded from NPG's website at the following link: www.northpacific.com/APAwithMFP.html.

Dated this ___ day of April, 2010.

SUSSMAN SHANK LLP

By _____
Barry P. Caplan, OSB No. 650178
Jeffrey C. Misley, OSB No. 85067
(503) 227-1111
Attorneys for Receiver Edward Hostmann, Inc.

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GRACE K. JOHNSON COMPANY: 221 N. COLLEGE

Exhibit 8-A

Parties to Receive Notice

1. Any person required to be served pursuant to prior orders of this Court in the matter.
2. All parties, and known counsel, if any, who to the knowledge of the Receiver and/or North Pacific (as defined in the Bidding Procedures Order) presently hold or claim a lien upon or security interest in the Purchased Assets.
3. Persons believed by the Receiver to be a potential purchaser.

Exhibit 8-A

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Exhibit 8-B**Manner of Notice**

The Receiver shall serve a copy of the Notice, by first class mail, upon all creditors of NPG and establish and maintain a website accessible to the general public at which any person may access and download copies of the Sale Motion, the Purchase Agreement, the Notice, the proposed Sale Order, the Bidding Procedures and this Order.

In addition, the Seller shall cause notice of the proposed sale of the Purchased Real Property to be published once a week for four weeks in at least one newspaper regularly issued and of general circulation in each county, state, or judicial district of the United States wherein the Purchased Real Property is situated.

Exhibit 8-B

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Schedule 3(a)**Liens**

1. The Loans and Deeds of Trust listed in Exhibit 3.
2. Any zoning restrictions, easements, rights of way, covenants, reservations and restrictions on the use of real property shown in the public records.
3. Any matters which would be shown on a current accurate survey.
4. The fixtures filings recorded in the following jurisdictions:
 - (a) State of Oregon (recorded 6-11-02, instrument #589844)
 - (b) Texas County, Missouri (recorded 5-31-02, Book 672, Page 681)
 - (c) Carter County, Missouri (recorded 6-3-02, Book 234, Page 131)
 - (d) Searcy County, Arkansas (recorded 6-3-02, document #20276)
5. The following parties have liens on the Assets:

Secured Party	File No.	Collateral
Wells Fargo Foothill, Inc., as Administrative Lender	616324	All assets of Seller
Wells Fargo Foothill, Inc., as Administrative Lender	616325	All personal property of Seller
Wells Fargo Foothill, Inc., as Administrative Lender	616328	All assets of Seller
Wells Fargo Foothill, Inc., as Administrative Lender	7471488	All personal property of Seller
U.S. Bank Bancorp Equipment Finance, Inc.	6948519	One (1) New 24 Inch Newman Machine Co. Planer with Winston Machinery Company Transfer Deck and Green Chain and Webster Vibrating Conveyor, North Pacific Group, Inc. Project # D550-0704 as further described on invoices kept in Lessee's collateral file

Schedule 3(a)

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