

05-01-95A10:58 RCVD

After recording, return to:

Lane Powell Spears Lubersky
 520 S.W. Yamhill, Suite 800
 Portland, Oregon 97204-1383
 Attn: Charles J. Pruitt

Aspen Title #01043147

DEED OF TRUST

THIS DEED OF TRUST is made the 1st day of May 1995. The Grantor is LARRY D. OLSON, an individual, whose address is 700 Port Avenue, St. Helens, Oregon 97051; the Trustee is ASPEN TITLE & ESCROW, INC., an Oregon corporation, whose address is 525 Main Street, Klamath Falls, Oregon; and the Beneficiary is INTERNATIONAL PAPER COMPANY, a New York corporation, whose address is P.O. Box 843, Gardiner, Oregon 97441.

GRANT IN TRUST.

Grantor hereby grants, bargains, sells, and conveys to the Trustee, IN TRUST, WITH POWER OF SALE and right of entry and possession, all of Grantor's right, title, and interest in and to the real property located in the County of Klamath, State of Oregon (the "Property"), described in Exhibit A attached hereto and incorporated herein by this reference;

INCLUDING all timber of every kind, size, and species, and all natural increases thereof, now or hereafter growing, standing, lying, or being on the Property, and all timber, logs and other products thereof as and when such timber is severed and removed from the Property (all of which is sometimes collectively referred to as "Timber");

TOGETHER WITH all easements, rights-of-way, and rights used in connection with the Property or as a means of access thereto, and all tenements, hereditaments, and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, all the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with the Property.

SCOPE OF GRANT AND OBLIGATIONS SECURED.

Until the occurrence of an Event of Default (as defined in Section 12), Grantor may remain in possession and control of and operate and manage the Property and collect and enjoy the rents, revenues, income, issues, and profits therefrom.

The foregoing grant in trust is made for the purpose of securing the following obligations, each of which Grantor covenants to pay or perform promptly in accordance with its terms:

1. Payment and Performance.

1.1 The Agreement. Grantor shall pay to Beneficiary promptly when due the three million and no/100 dollars (\$3,000,000) advance and other indebtedness (the "Advance") evidenced by and arising under that certain Agreement by and between Grantor, as Seller, and Beneficiary, as Purchaser, dated April 26, 1995 (the "Agreement"), and all other amounts, payment of which is secured by this Deed of Trust including, without limitation, amounts payable by Grantor pursuant to the terms hereof. This Deed of Trust also secures any interest that accrues on the Advance. Any modifications, extensions, or renewals of the Agreement shall be secured by this Deed of Trust.

1.2 Other Obligations. Grantor shall perform each agreement of the Grantor herein contained or contained in the aforesaid Agreement between Grantor and Beneficiary and/or in each of the other documents and instruments executed from time to time by Grantor to evidence or secure the obligations of Grantor to Beneficiary and Grantor shall pay each fee, and all costs and expenses payable by Grantor as herein or therein set forth.

2. Timber Provisions.

2.1 Representations and Warranties Concerning Timber. Grantor represents and warrants to and for the benefit of Beneficiary:

2.1.1 Condition. The Timber is in good condition and is free from all pests, blight, fungus, or disease that would materially impair the value thereof.

2.1.2 Acres and Volume. The Property contains approximately 17,340 acres on which is located, to the best of Grantor's knowledge, approximately 4.2 million board feet of merchantable sawlogs, plus 20,000 bone dry tons of chipable material recoverable within the constraints of the Oregon Forest Practices Act. The aforesaid Timber consists of some or all of the following species: Ponderosa Pine, Lodgepole Pine, White Fir and minor species.

2.2 Compliance with Laws. Grantor, as applicable, shall:

(a) Comply in all respects with the Oregon Forest Practices Act, all rules and regulations issued by the Oregon Board of Forestry and any other state and federal laws or regulations applicable to Grantor's ownership, use, or

operations on the Property, including without limitation the rules and regulations of the Oregon Wildlife Division;

(b) Maintain memberships in forest protective associations where any of the Property falls within a forest protective district under the jurisdiction of any such association;

(c) Pay as due any forest patrol assessments of the State Forester or a forest protective association described in (b); and

(d) Within thirty (30) days from any determination that an operation on the Property has resulted in an additional hazard, obtain a release of such additional hazard from the State Forester by performing all necessary burning or other work to reduce the hazard or by paying a fee designated by the State Forester for such release.

2.3 General Timber Management Obligations. Until the payment and performance in full of all obligations secured by this Deed of Trust:

(a) All measures shall be taken which are reasonably necessary to protect the Timber from loss by fire, which measures shall be at least equal to fire control practices generally followed on timber-producing property in the same general area, including the adoption of suitable prevention and control measures, the maintenance of adequate fire-fighting equipment, proper disposal of slash and slabs, and full cooperation with local, state, and federal agencies on matters of fire prevention and control.

(b) An adequate system of existing roads and roadways shall be maintained in such manner as to permit reasonable access of mobile fire-fighting equipment to all parts of the Property.

(c) There shall be maintained at all times in accordance with sound silvicultural practices all reasonable and effective measures to prevent the development of and to control the spread of disease and insect infestation on the Property.

(d) Grantor will furnish to Beneficiary, as well as to the agents of Beneficiary, full access to the Property and to all of Grantor's personnel, books, maps, aerial photographs, financial and other records, scaling sheets, timber cruises, documents, facilities, forest management plans, and projections relating to the Property as requested from time to time by Beneficiary.

(e) Beneficiary may use its own employees or may appoint a consulting forester of Beneficiary's choice to make such inspections and to perform other services deemed reasonably necessary to insure compliance with the provisions of this Deed of Trust.

2.4 Timber Harvesting.

2.4.1 Limited Harvesting Rights. Unless the right to cut and remove Timber shall have been suspended pursuant to Section 2.4.4, or terminated by reason of an Event of Default, Grantor shall have the right to cut and remove Timber and to sell logs and other products of such Timber in accordance with the following provisions and conditions:

(a) Grantor shall prepare and maintain, and all cutting, harvesting, or removal of Timber shall be conducted in compliance with, timber harvesting plans that (i) conform to requirements of applicable law, (ii) are prepared in accordance with sound industry practice, and (iii) conform to the timber management obligations stated at Section 2.3. If an Event of Default shall have occurred and be continuing, Beneficiary shall have approved in writing all such Timber harvesting plans before the implementation or further implementation thereof. Each such Timber harvesting plan shall specify the location of the proposed cutting, the specifications and size of trees to be cut and how such trees shall be designated, the time period in which harvesting is to occur, logging methods to be used, and proposed delivery points and prices.

(b) All cutting or harvesting of Timber shall be in accordance with sound forest management practices;

(c) All sales of logs produced from the Timber shall be on an arm's length basis and contain terms customary in the industry for such agreements, and shall be at prices not less than the fair market value thereof;

(d) All logs produced from the Timber shall be scaled by an independent log scaling bureau reasonably acceptable to Beneficiary (the "Scaling Bureau").

2.4.2 Loss of Timber by Casualty. If any Timber is damaged or destroyed by fire, windstorm, infestation, war, third persons, or any other cause, Grantor shall, upon Beneficiary's request, revise its applicable Timber harvest plan or plans so as to achieve the maximum salvage value from the damaged Timber.

2.4.3 Special Rule in the Case of Condemnation. If Property is lost by the exercise of eminent domain or condemnation (including inverse condemnation) by any governmental agency or

other body having the right of condemnation or power of eminent domain, or by Grantor's sale in lieu of and in reasonable anticipation of the impending exercise of such right or power, then any and all awards or sales proceeds shall be paid to Beneficiary, and the merchantable Timber affected by such taking or sale shall not be treated as Timber cut or removed by Grantor for purposes of this Section 2.4.

2.4.4 Suspension or Termination of Cutting Privileges. During the occurrence and continuance of an Event of Default, all rights of cutting and removal of Timber under this Agreement shall be automatically suspended, subject to reinstatement if the Event of Default is cured within three (3) days of the first to occur of (1) such Event of Default, or (2) the giving of notice of an event that, if not cured within applicable cure periods, will constitute an Event of Default. Notwithstanding the preceding sentence, Beneficiary shall have the option to terminate immediately all rights of cutting and removal of Timber under this Agreement on the fourth day after the occurrence of an Event of Default if a cure has not been effected within three (3) days, in each case without the necessity of notice or any action on the part of Beneficiary. Upon breach of the Agreement for any reason, all rights of cutting and removal of Timber under this Deed of Trust shall terminate automatically without the necessity of notice or any action on the part of Beneficiary. When rights to cut Timber have been suspended and terminated pursuant to this provision, Beneficiary shall have the right to give notice of such suspension or termination to buyers of logs.

2.4.5 Confirmatory Releases. Beneficiary, upon receipt of a written application from Grantor accompanied by Grantor's certification that no Event of Default exists, shall, if Beneficiary has no actual or constructive knowledge that an Event of Default is in existence, execute and deliver any confirmatory release or other instrument necessary or appropriate to confirm that any Timber cut in accordance with this section has been released from, or is no longer subject to, the lien of this Deed of Trust.

2.4.6 Logging Contracts. All agreements for logging, felling, bucking, log hauling, and the like entered into by Grantor shall be on an arm's length basis at competitive rates and according to terms customary in the industry.

3. Possession and Maintenance of the Property.

3.1 Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations of all governmental authorities applicable to the ownership, use, occupancy, or management of the Property, including, without limitation, the timber-related laws described in Section 2.

Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Beneficiary's interest in the Property is not jeopardized.

3.2 Duty to Protect. Grantor shall do all other acts, in addition to those set forth in this Trust Deed, that from the character and use of the Property are reasonably necessary to protect and preserve the security given hereunder.

4. Taxes and Liens.

4.1 Payment. Grantor shall pay when due all taxes, assessments, levies, and charges levied against or imposed on account of the Property, including, without limitation, any harvest or severance taxes, any form of assessment, possessory interest tax, business license fee, business license tax, commercial rental tax, levy, charge, penalty, or similar imposition, imposed by any authority having the direct power to tax, including any city, county, state, or federal government, or any school, agricultural, lighting, drainage, or other improvement or special assessment district thereof, as against any legal or equitable interest of the Grantor in the Property. Grantor shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Beneficiary under this Trust Deed, except for the lien of taxes and assessments not due and except as otherwise provided in Section 4.2.

4.2 Right to Contest. Grantor may withhold payment of any tax, assessment, levy, charge, or claim in connection with a good faith dispute over obligation to pay, so long as Beneficiary's interest in the Property is not jeopardized. If, as the result of any such contest, the Property is subject to a lien that is not discharged within fifteen (15) days from the date it attached, Grantor shall deposit with Beneficiary cash, a sufficient corporate surety bond, or other security satisfactory to Beneficiary in an amount sufficient to discharge the lien plus any interest, costs, attorneys' fees, or other charges that could accrue as a result of foreclosure or sale under the lien. In any contested proceedings, Grantor will defend itself and Beneficiary and will name Beneficiary as an additional obligee under any surety bond, and Grantor shall satisfy any final adverse judgment promptly, but in any case before enforcement against the Property. Beneficiary has the right, but not the obligation, to satisfy any lien against the Property and in such case, Grantor shall promptly reimburse Beneficiary upon demand.

4.3 Evidence of Payment. Grantor shall promptly furnish evidence of payment of taxes, assessments, levies, charges, and claims to Beneficiary on Beneficiary's demand and shall authorize

the appropriate county official to deliver to Beneficiary at any time a written statement of the taxes and assessments against the Property.

5. Representations, Warranties, and Covenants of Grantor.

Grantor represents, warrants, and covenants as follows:

5.1 Title. Grantor holds merchantable fee simple title to the Property and merchantable title to the Timber, free of all encumbrances other than those described in Exhibit B attached hereto and incorporated herein by this reference (the "Permitted Encumbrances"); this Trust Deed will be a first lien on the Timber; a first lien on Parcels 2 and 3 described in Exhibit A; and a lien on Parcel 1 described on Exhibit A second only to that certain TRUST DEED made by Grantor in favor of The Simonsen Family Trust dated MAY 1, 1995 and recorded in Book 1095, page 11175, Official Records of Klamath County, Oregon.

5.2 Defense of Title. Subject to the exceptions noted in Section 5.1, Grantor will forever defend the title against the lawful claims of all persons. If any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary under this Trust Deed, Grantor shall defend the action at its expense.

5.3 Hazardous Substances.

5.3.1 Grantor's Representations and Warranties. Except as disclosed to Beneficiary in writing before the date of this Deed of Trust: (a) to the best of Grantor's knowledge, no asbestos has ever been used in the construction, repair, or maintenance of any building, structure, or improvement now or heretofore located on the Property, and there is not now, nor has there ever been, any underground storage tank or tanks located on the Property; (b) no Hazardous Substance (defined below) is currently being generated, processed, stored, transported, handled, or disposed of on, under, in, or from the Property or the groundwater of the Property, except in the normal course of business conducted on the Property, in a quantity, concentration, and manner permitted by applicable local, state, and federal laws; (c) neither Grantor nor any other person or entity has ever caused or permitted any Hazardous Substance to be generated, processed, stored, transported, handled, or disposed of on, under, in, or from the Property or the groundwater of the Property, except in the normal course of business conducted on the Property, in a quantity, concentration, and manner permitted by applicable local, state, and federal laws; (d) Grantor has not received any notice of, nor is Grantor aware of, any actual or alleged violation with respect to the Property or the groundwater of the Property, of any federal,

state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances; (e) there is no action or proceeding pending or threatened before, or appealable from, any court, quasi-judicial body, or administrative agency relating to Hazardous Substances affecting or alleged to be affecting the Property or the groundwater of the Property; (f) Grantor will not itself, and will not suffer or permit the generation, processing, storage, transportation, handling, or disposal of, on, under, in, or from the Property or the groundwater of the Property of any Hazardous Substance, except in the normal course of business conducted on the Property, in a quantity, concentration, and manner permitted by applicable local, state, and federal laws; and (g) Grantor will at all times take all necessary action to insure that the Property and the groundwater of the Property comply with all federal, state, and local environmental laws and regulations (including, without limitation, those pertaining to underground storage tanks and to asbestos).

5.3.2 Notification. Grantor shall immediately notify Beneficiary should Grantor (a) become aware of the existence of any Hazardous Substance on the Property or in the groundwaters of the Property, except in the normal course of business conducted on the Real Property, in a quantity, concentration, and manner permitted by applicable local, state, and federal laws, (b) receive any notice of, or become aware of, any actual or alleged violation with respect to the Property of any federal, state, or local statute, ordinance, rule, regulation, or other law pertaining to Hazardous Substances, or (c) become aware of any lien or action with respect to any of the foregoing. Grantor shall deliver to Beneficiary, promptly upon receipt, (i) copies of any documents received from the United States Environmental Protection Agency ("EPA") and/or any state, county, or municipal environmental or health agency concerning Grantor's ownership, use, or operations upon or in connection with the Property; and (ii) copies of any documents submitted by Grantor to the EPA and/or any state, county, or municipal environmental or health agency concerning the Property.

5.3.3 Inspection and Remedial Action. Beneficiary is hereby authorized to enter the Property, including the interior of any structures, at reasonable times and after reasonable notice, for the purpose of inspecting the Property to ascertain the accuracy of all representations and warranties, and the compliance with all covenants, made in this Section 5.3. Upon Beneficiary's written request (a) Grantor, through professional engineers approved by Beneficiary and at Grantor's cost, shall thoroughly investigate suspected Hazardous Substances contamination of the Property or the groundwater of the Property, and (b) Grantor shall forthwith take such remedial action as may be necessary to ensure that there is no Hazardous Substance present on the Property or in the groundwater of the Property in quantities or concentrations that exceed amounts allowed by applicable law, and that the

Property and activities conducted thereon otherwise comply with all federal, state, and local environmental laws and regulations (including, without limitation, those pertaining to underground storage tanks and to asbestos), in either case whether or not Grantor was responsible for the existence of the Hazardous Substances on or in the Property or the groundwater of the Property or for such noncompliance. Grantor's obligations under this Section 5.3 shall arise upon Beneficiary's demand as provided herein, regardless of whether the EPA or any other federal, state, or local agency or governmental authority has taken or threatened any action in connection with the presence of any Hazardous Substance on, or release of any Hazardous Substance from, the Property or the groundwater of the Property. If Grantor shall fail promptly to discharge its obligations under this Section 5.3, Beneficiary may, at its election, but without the obligation to do so, cause such investigation to be made or remedial action to be taken and/or take any and all other actions that Beneficiary may deem necessary or advisable to protect its security for the Loan or to avoid or minimize its liability for the existence of Hazardous Substances on the Property, or in the groundwater of the Property, or for a release thereof from the Property or the groundwater of the Property. All amounts expended by Beneficiary under this Section 5.3 shall be payable by Grantor to Beneficiary upon demand, and shall accrue interest at the rate specified in the Advance.

5.3.4 Definition of Hazardous Substance(s). The term "Hazardous Substance" shall mean:

- (a) "Hazardous substances" as defined by 40 CFR Part 302;
- (b) "Extremely hazardous substance" as defined by 40 CFR Part 355;
- (c) "Toxic chemicals" as defined by 40 CFR Part 372;
- (d) "Hazardous chemical" as defined by 29 CFR § 1910.120, to the extent it is included in the employer's written Hazard Communication Program or in Material Safety Data Sheets that are located on site;
- (e) "Hazardous Waste" as defined by Oregon Administrative Rules Chapter 340, Division 101;
- (f) Petroleum, including crude oil and any fraction thereof;
- (g) Any material that contains more than one percent (1%) of asbestos; and

(h) Radon.

5.3.5 Grantor's Personal Liability; Indemnity.

Beneficiary has agreed to make the Advance under and pursuant to the Agreement in reliance upon Grantor's representations, warranties, and covenants set forth in this Section 5. Notwithstanding any other provision of the Agreement, this Deed of Trust, or applicable law to the contrary, Grantor shall be personally liable for, and shall defend, indemnify, and hold Beneficiary harmless from and against, any and all claims, demands, penalties, fees, liens, damages, losses, expenses, or liabilities (including, without limitation, all reasonable attorney's and expert fees and costs incurred by Beneficiary in connection with any of the foregoing, whether incurred before any action is filed, at trial, or on any appeal or petition for review therefrom) (a) resulting from any breach of the representations, warranties, or covenants contained in this Section 5, or (b) incurred or payable by Beneficiary in connection with the removal of or remedial action concerning any Hazardous Substance on the Property or in the groundwater of the Property, or the release thereof from the Property or the groundwater of the Property (including any such removal or remedial action performed by any governmental authority). Without limiting the generality of the foregoing, the provisions of this Section 5.3.5 shall apply to any such claim, demand, penalty, fee, lien, damage, loss, expense, or liability incurred in connection with or arising from (a) the existence of any Hazardous Substance on the Property, and (b) the existence on any other property of any Hazardous Substance attributable to activities or contamination on the Property. Grantor's obligations and liability under this Section 5 shall survive repayment of the Advance and shall extend to sums in excess of the amount advanced pursuant to the Agreement.

5.4 Other Obligations. Grantor is not in default under any material instruments or obligations relating to Grantor's business, Grantor's assets, or the Property. No party has asserted any material claim or default relating to any of Grantor's assets or the Property. The execution and performance of the documents and the consummation of the transactions contemplated thereby will not result in any material breach of, or constitute a material default under, any contract, agreement, document, or other instrument to which Grantor is a party or by which Grantor may be bound or affected, and do not and will not violate or contravene any laws to which Grantor is subject; Grantor has filed all federal, state, county, and municipal income tax returns required to have been filed by Grantor and has paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by Grantor. Grantor does not know of any basis for additional assessment with regard to any such tax. No approval by, authorization of, or filing with any federal, state, or municipal or other governmental commission, board, or agency or other

governmental authority is necessary in connection with the authorization, execution, and delivery of the Agreement.

5.5 Legal Actions. There are no material actions, suits, or proceedings including, without limitation, any condemnation, insolvency, or bankruptcy proceedings pending or, to the best of Grantor's knowledge and belief, threatened, against or affecting Grantor, his business or the Property, or investigations at law or in equity before or by any court or governmental authority, pending or, to the best of Grantor's knowledge and belief, threatened against or affecting Grantor, Grantor's business, or the Property, except actions, suits, and proceedings fully covered by insurance and heretofore fully disclosed in writing to Beneficiary or that if resolved adversely to Grantor would not have a material, adverse effect on Grantor or the Property. Grantor is not in default with respect to any order, writ, injunction, decree, or demand of any court or any governmental authority affecting Grantor or the Property. Furthermore, to the best knowledge and belief of Grantor, there is no basis for any unfavorable decision, ruling, or finding by any court or governmental authority which would in any material respect adversely affect the validity or enforceability of the Agreement, or the condition (financial or otherwise) or ability of Grantor to meet Grantor's obligations under the Agreement.

5.6 Financial Statements. All statements, financial or otherwise, submitted to Beneficiary in connection with the making of the Agreement are true, correct, and complete in all material respects, and all such financial statements have been prepared in accordance with generally accepted accounting principles consistently applied (or other basis of accounting practices permitted by Beneficiary) and fairly present the financial condition of the parties or entities covered by such statements as of the date thereof. Since the date thereof, neither Grantor nor any such party or entity has experienced any material, adverse change in its finances, business, operations, affairs, or prospects.

5.7 Adverse Change to Property. No event or series of events has or have intervened or occurred since the date of Grantor's submission of its application for the Advance evidenced by the Agreement that would, either individually or collectively, materially, adversely affect the Property.

5.8 Compliance With Laws and Private Covenants. The Property complies in all material respects with all applicable laws. Grantor has examined and is familiar with the Permitted Encumbrances and there now exists no material violation thereof. Grantor has no notice that any of the improvements are inconsistent with any easement over the Property or encroach upon adjacent property.

5.9 Independence of the Property. The Property consists of separate and distinct legal parcels for tax purposes and is not subject to property taxes and a similar charge against any other land. Grantor has not by act or omission permitted any building or other improvements on property not covered by this Deed of Trust to rely on the Property or any part thereof or any interest therein to fulfill any municipal or governmental requirement for the existence of such property, building, or improvement; and no improvement on the Property relies on any property not covered by this Deed of Trust or any interest therein to fulfill any governmental or municipal requirement.

5.10 Survival. Grantor's representations, warranties, and covenants set forth at this Section 5 shall survive any foreclosure or trust deed sale, the repayment of the Advance, and/or the release of the lien of this Deed of Trust from the Property and Grantor's transfer of any or all right, title, and interest in and to the Property to any party.

6. Insurance, Condemnation.

6.1 Taking. Grantor shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or other taking of the Property or any part thereof or any interest therein. Beneficiary shall be entitled, at its option, to commence, appear in, and prosecute in its own name, any action or proceeding, or to make any compromise or settlement in connection with, any eminent domain claim. Unless otherwise directed in writing by Beneficiary, however, Grantor shall appear in and prosecute diligently any such proceeding or action. All condemnation proceeds or damages paid in connection with any condemnation or other taking with respect to the Property (or consideration paid for conveyances in lieu of condemnation) are hereby assigned to Beneficiary.

6.2 Application of Condemnation Proceeds. If all or any part of the Property is condemned, all net proceeds resulting from such condemnation shall be paid to Beneficiary. Beneficiary shall be entitled, at its option, to commence, appear in, and prosecute in its own name, any action or proceeding, or to make any compromise or settlement in connection with any eminent domain claim. The term "net proceeds" shall mean the total amount available after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor and Beneficiary in connection with the taking by condemnation. If the entire Property is acquired by eminent domain, the Advance secured hereby shall be due and payable at the time of entry of the final judgment. All proceeds from an eminent domain claim shall be applied by Beneficiary as follows: first, to cure any monetary default by Grantor under the Agreement; and second, the balance, if any, to Grantor. The Beneficiary is authorized, at the expense of Grantor, to retain and pay the reasonable costs of professional engineers,

appraisers, and other experts (including attorneys) to determine the extent to which its security is impaired following any taking. Beneficiary may pay the engineers, appraisers, and experts from the monies resulting from the eminent domain claim. Sale of all or any part of the Property to a purchaser with the power of eminent domain in the face of a threat or the probability of the exercise of the power shall be treated as a taking by condemnation to which this Section shall apply.

6.3 Proceedings. If any proceedings in condemnation are filed, Grantor shall promptly give Beneficiary notice thereof and, subject to Beneficiary's right to appear as provided in Section 6.2, take such steps as may be necessary to defend the suit and obtain the award.

7. Transfer by Grantor.

Grantor shall not transfer, convey or assign all or any portion of Grantor's right, title, and interest in the Property to a third party without Beneficiary's prior written consent, which Beneficiary may give or withhold in its sole discretion. Any transfer (whether to a person with respect to whom consent to transfer is hereafter given or otherwise) shall be subject to this Deed of Trust and, where appropriate, any transferee shall, upon Beneficiary's request, assume, by a recordable instrument delivered to and satisfactory to Beneficiary, all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption shall not, however, release Grantor from any liability under the Agreement or hereunder. Consent to one such transfer shall not be deemed a waiver of the right to require consent to future or successive transfers. Grantor acknowledges that the Advance secured by this instrument is personal to Grantor and that in making it Beneficiary has relied on Grantor's credit and management capabilities, Grantor's interest in the Property, and financial market conditions at the time the Advance was made. If Grantor engages in a transfer without complying with the requirements of this Section 7, then all of the Advance and other obligations secured by this Deed of Trust will become immediately due and payable.

8. Release On Full Performance.

Upon payment of all of the Advance pursuant to the Agreement and performance of all of the obligations imposed upon Grantor under this Deed of Trust, Beneficiary shall, if requested, execute and deliver to Trustee a suitable Reconveyance of this Deed and suitable statements of termination of any financing statements on file. Upon written request of Beneficiary stating that all sums secured hereby have been paid, surrender of this Deed of Trust to Trustee for cancellation and retention, and payment of its fees, Trustee shall reconvey, without warranty, the Property then held

hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters of fact shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

9. Reports.

9.1 Default. Grantor will furnish to Beneficiary notice of any default on Grantor's part under any agreement, license, permit, lease, timber or cutting contract affecting the Property or any portion thereof.

10. Reserves.

If Grantor has failed promptly to perform his obligations under this Trust Deed, Beneficiary may require Grantor to maintain with Beneficiary reserves for payment of taxes, assessments, and insurance. The reserve shall be created by monthly payments of a sum estimated by Beneficiary to be sufficient to produce, at least fifteen (15) days before due, an amount equal to the taxes, assessments, and insurance premiums. If fifteen (15) days before payment is due the reserve is insufficient, Grantor shall pay any deficiency to Beneficiary upon demand. The reserve shall be held by Beneficiary as a general deposit from Grantor and shall constitute a non-interest-bearing debt from Beneficiary to Grantor which Beneficiary may satisfy by payment of the taxes, assessments, and/or insurance premiums. Beneficiary shall not hold the reserve in trust for Grantor, and Beneficiary shall not be the agent of Grantor for payment of the taxes, assessments, and insurance premiums required to be paid by Grantor.

11. Assignment of Leases, Rents, Timber Contracts, Cutting Rights, Sale Contracts, Issues and Profits.

Grantor hereby assigns, transfers, and sets over to Beneficiary all leases of any part of the Property, now in effect or hereafter made, and hereby assigns and transfers to Beneficiary all the right of Grantor in and to timber contracts, cutting rights, or sale contracts to or affecting any part of or interest in the Property or Timber, whether now in effect or hereafter made, and hereby further assigns to Beneficiary all of Grantor's right to receive the rents, issues, profits, and sale proceeds (the "Income") reserved or provided by such leases, timber contracts, cutting rights, or sale contracts, or paid or payable to Grantor upon a sale, transfer, or other disposition of the Property or Timber, or any portion thereof or interest therein; provided, however, that until Grantor shall commit or permit some act of default under the Agreement, this Trust Deed, or any other instrument securing repayment of the Advance, the Grantor may receive and collect said Income as it falls due, paying over to Beneficiary only so much thereof as is required to comply with the

obligations resting upon Grantor under and by the terms hereof and of the Agreement; provided, further, in the event that Grantor shall commit or permit any act of default hereunder, then and in that event, and from that time on, said lessees and/or any other party to any such timber contract, cutting right, or sale agreement are authorized, required, and directed to pay the Income thereafter falling due under and by the terms of said agreements or instruments directly to Beneficiary, and Beneficiary is authorized to demand, collect, receive, and receipt for such income and apply the moneys so collected, in its discretion, to any or all of the following purposes:

(a) To the payment of any taxes assessed upon the Property, whether or not the same be delinquent;

(b) To the payment of any assessments or other governmental charges assessed against the Property, whether or not the same be delinquent;

(c) To the payment of any insurance premiums paid or incurred by the Beneficiary, or any expenditure which, in the judgment of the Beneficiary, is proper for the care of the Property;

(d) To the payment of any interest accrued on the Advance secured by this Trust Deed; and

(e) To the payment, on account of the principal, of the Advance secured by this Trust Deed, whether or not there be any payments on account of principal due at the time and whether or not the Beneficiary has exercised the right secured by this Trust Deed to declare the entire principal due by reason of any default hereunder;

and that upon notice and demand Grantor will further transfer and assign to Beneficiary, in form satisfactory to Beneficiary, Grantor's interest in any lease, timber contract, cutting right, or sale agreement now or hereafter affecting the whole or any part of the Property. Grantor will not assign the whole or any part of the rents, income, or profits arising from the Property without the written consent of the Beneficiary and any assignment thereof without such consent shall be void.

12. Events of Default.

The following shall constitute Events of Default:

12.1 Nonpayment. If for any payment due under the Agreement, or any amount due under this Deed of Trust, the entire amount due (including principal, interest, and any applicable premiums and late charges) is not paid within three (3) days of the date upon

which notice of default in the making of such payment was given to Grantor.

12.2 Event of Default. An event of default occurs under the Agreement defined in such document.

12.3 Breach of Other Covenant. Failure of Grantor to perform any other obligation contained in the Agreement, this Trust Deed, or any related documents within three (3) days after notice from Beneficiary (or Beneficiary's representative) specifying the nature of the default or, if the default cannot be cured within three (3) days, failure within such time to commence and pursue with reasonable diligence curative action.

12.4 Misinformation. Falsity in any material respect of the representations and warranties given in Section 5 or of any representation, warranty, or information furnished to Beneficiary in connection with the Agreement.

12.5 Sale or Transfer of Title. Occurrence of a transfer in any manner except as permitted by Section 7.

12.6 Bankruptcy. Immediately upon the occurrence of any of the following without any action or notice by Beneficiary (for purposes of this Section 12.6, "Party in Interest" means Grantor, any guarantor of all or a portion of the obligations secured hereby, any general partner in any partnership in which Grantor is also a general partner, any such partnership, and, if Grantor is itself a partnership, any general partner in Grantor) (i) a Party in Interest becomes insolvent, makes a transfer in fraud to, or an assignment for the benefit of, creditors, or admits in writing its inability, or is unable, to pay debts as they become due; or (ii) a receiver, custodian, liquidator, or trustee is appointed for all or substantially all of the assets of a Party in Interest or for the Property in any proceeding brought by a Party in Interest, or any such receiver or trustee is appointed in any proceeding brought against a Party in Interest or the Property and such appointment is not promptly contested or is not dismissed or discharged within one hundred twenty (120) days after such appointment, or a Party in Interest consents or acquiesces in such appointment; or (iii) a Party in Interest files a petition under the Bankruptcy Code, as amended, or under any similar law or statute of the United States or any state thereof; or (iv) a petition against a Party in Interest is filed commencing an involuntary case under any present or future federal or state bankruptcy or similar law and such petition is not dismissed or discharged within one hundred twenty (120) days after the filing thereof; or (v) any composition, rearrangement, liquidation, extension, reorganization, or other relief of debtors now or hereafter existing is requested by a Party in Interest.

12.7 Adverse Court Action. A court of competent jurisdiction enters a stay order with respect to, assumes custody of, or sequesters all or a substantial part of the Property, or the Property is taken on execution or by other process of law, and such order, custody, sequestration, execution, or other process is not dismissed or discharged within thirty (30) days after its occurrence.

12.8 Certain Taxes. This subsection shall apply to the following state taxes:

(a) A specific tax on mortgages, trust deeds, secured indebtedness, or any part of the indebtedness secured by this Deed of Trust.

(b) A specific tax on the Grantor of property subject to a trust deed which the taxpayer is authorized or required to deduct from payments on the trust deed.

(c) A tax on property chargeable against the beneficiary or trustee under a trust deed or holder of the note secured thereby.

(d) A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

If any state tax to which this subsection applies is enacted after the date of this Deed of Trust, an Event of Default shall occur when such tax becomes due and payable unless Grantor lawfully pays the tax or charge imposed by the state tax on or before such date without causing any resulting economic disadvantage or increase of tax to Beneficiary or Trustee.

12.9 Default Under Leases or Other Agreements. Default by Grantor under any agreement, license, permit, lease, timber or cutting contract affecting any portion of the Property or under any loan agreement, mortgage, or deed of trust relating to the Property between Grantor and, or given by Grantor to, another person.

13. Remedies in Case of Default.

If an Event of Default shall occur, Beneficiary or Trustee, as the case may be, may exercise any of the following rights and remedies, in addition to any other remedies which may be available at law, in equity, or otherwise:

13.1 Acceleration. Beneficiary may declare the entire principal amount of the Advance together with all interest and prepayment premiums to be immediately due and payable.

13.2 Books and Records. Beneficiary may examine all books, records, and contracts of Grantor pertaining to the Property and make such memoranda thereof as may be desired.

13.3 Receiver. Beneficiary may have a receiver of the Property appointed. Beneficiary (or a Trustee) shall be entitled to the appointment of a receiver as a matter of right whether or not the apparent value of the Property exceeds the amount of the secured indebtedness. Any receiver appointed may serve without bond. Employment by Trustee or Beneficiary shall not disqualify a person from serving as receiver. Grantor waives all defenses and consents to the appointment of a receiver at Beneficiary's option.

13.4 Possession. Beneficiary may, either through a receiver or as a lender-in-possession, take possession of all or any part of the Property, and Grantor shall peaceably surrender the same.

13.5 Rents and Revenues. Beneficiary may revoke Grantor's right to collect the income from the Property, and may, either itself or through a receiver, collect the same. To facilitate collection, Beneficiary may notify Grantor's tenants or the other parties to any contract or instrument affecting the Property to pay income directly to it. Beneficiary shall not be deemed to be in possession of the Property solely by reason of exercise of the rights contained in this Section 13.5. If income is collected by Beneficiary under this Section 13.5, Grantor hereby irrevocably designates Beneficiary as Grantor's attorney-in-fact to endorse instruments received in payment of income due, in respect of any part of the Property, in the name of Grantor and to negotiate such instruments and collect the proceeds thereof.

13.6 Foreclosure. Beneficiary may foreclose Grantor's interest in all or any part of the Property by judicial procedure.

13.7 Fixtures and Personal Property. With respect to any fixtures or personal property subject to a security interest in favor of Beneficiary, Beneficiary may exercise any and all of the rights and remedies of a secured party under the UCC.

13.8 Abandon Security. Beneficiary may abandon any security afforded by this Trust Deed by notifying Grantor of Beneficiary's election to do so.

13.9 Power of Sale. Beneficiary may direct Trustee to, and Trustee shall be empowered to, foreclose the Property by advertisement and exercise of the power of sale under applicable law.

13.10 Sale of Personal Property; Bid at Public Sale. In exercising its rights and remedies, Beneficiary shall be free to sell all or any part of the Timber or any logs or other products

produced therefrom, together or separately, or to sell certain portions thereof and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale of all or any portion of the Timber or any logs or other products produced therefrom.

13.11 Cumulative Remedies. Election to pursue one remedy shall not exclude resort to any other remedy, and, unless the context otherwise requires, all remedies under this Trust Deed are cumulative and not exclusive. In addition to the specific remedies provided herein, Beneficiary shall have all rights and remedies provided by the law of the state in which the Property is located. An election to cure under Section 16.6 shall neither prejudice the right to declare a default nor constitute a waiver of the breached term or of any of the remedies provided herein. No delay or omission in exercising any right or remedy shall impair that or any other right or remedy or shall be construed to be a waiver of the default.

14. Receiver or Trustee-in-Possession.

Upon taking possession of all or any part of the Property, a receiver or Trustee or Beneficiary or Beneficiary's representative may:

14.1 Management. Use, operate, manage, control, and conduct business on the Property and make expenditures for such purposes and for maintenance and improvements as in its judgment are necessary.

14.2 Rents and Revenues. Collect all rents, revenues, income, issues, and profits from the Property and apply such sums to the expenses of use, operation, management, maintenance, and improvement.

14.3 Work in Progress or Construction. At its option, complete any work in progress or construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors, and make any changes in scope, plans, and specifications as it deems appropriate.

14.4 Additional Indebtedness. If the revenues produced by the Property are insufficient to pay expenses, including, without limitation, any disbursements made by Beneficiary or Trustee pursuant to this Section 14, a receiver may borrow, or Beneficiary or Trustee may advance, such sums upon such terms as it deems necessary for the purposes stated in this section, and repayment of such sums shall be secured by this Trust Deed. Amounts borrowed or advanced shall bear interest at a rate equal to the lesser of ten percent (10%) per year or the highest rate permitted by applicable

law. Amounts borrowed or advanced and interest thereon shall be payable by Grantor to Beneficiary or Trustee on demand.

15. Application of Proceeds.

All proceeds realized from the exercise of the rights and remedies under Sections 13 and 14 shall be applied as follows:

15.1 Costs and Expenses. To pay the costs of exercising such rights and remedies, including the costs of any sale, the costs and expenses of any receiver or lender-in-possession, and the costs and expenses provided for in Section 16.5.

15.2 Indebtedness. To pay the Advance and all other amounts owed by Grantor, payment of which is secured by this Trust Deed.

15.3 Surplus. The surplus, if any, shall be paid to the clerk of the court in the case of a foreclosure by judicial proceeding, otherwise to the person or persons legally entitled thereto.

16. General Provisions.

16.1 Substitute Trustee. In the event of dissolution or resignation of the Trustee, Beneficiary may substitute a trustee(s) to execute the trust hereby created, and the new trustee(s) shall succeed to all of the powers and duties of prior trustee(s).

16.2 Trust Deed Binding on Successors and Assigns. This Trust Deed shall be binding on and inure to the benefit of the successors and assigns of Grantor, Trustee, and Beneficiary. If ownership of Grantor's interest in the Property becomes vested in a person other than Grantor, Beneficiary, without notice to Grantor, may deal with Grantor's successor with reference to this Trust Deed and the Agreement by way of forbearance or extension without releasing Grantor from the obligations of this Trust Deed or liability under the Agreement.

16.3 Indemnity. Grantor shall hold Beneficiary and Trustee harmless from any and all loss and expense, including but not limited to attorneys' fees and court costs in any suit, action, or proceeding brought against Trustee or Beneficiary by a third party resulting from or attributable to the Agreement or this Trust Deed.

16.4 Notice. Any notice to be given or document to be delivered under this Trust Deed shall be effective when either delivered in person or deposited as registered or certified mail, postage prepaid, addressed to the party at the address first stated in this Trust Deed. Any party may by notice to the others designate a different address. Notwithstanding the notice provisions of this Section 16.4, any notice pursuant to exercise of the Trustee's power of sale in the event of default shall be

sufficient if such notice complies with all provisions of applicable law pertaining to exercise of such powers of sale.

16.5 Expenses and Attorneys' Fees. If Beneficiary or Trustee shall take any action, judicial or otherwise, to recover the Advance or to enforce any provision of this Trust Deed or if Beneficiary or Trustee shall be required to appear in any proceeding to protect and maintain the priority of this Trust Deed (including, without limitation, in any proceeding before a U.S. Bankruptcy Court), Trustee or Beneficiary (or both) shall be entitled to recover from Grantor all expenses which it or they may reasonably incur in taking such action, including but not limited to costs incurred in searching records, the cost of title reports and surveyors' reports, and attorneys' fees, whether incurred in a suit or action or any appeals from a judgment or decree therein or in connection with nonjudicial action. Grantor shall reimburse Beneficiary or Trustee (or both) for expenses so incurred on demand with interest, at a rate equal to the lesser of ten percent (10%) per annum or the highest rate permitted by applicable law, from the date of expenditure until repaid.

16.6 Beneficiary's Right to Cure. If Grantor fails to perform any obligation required of it under this Trust Deed, Beneficiary may, without notice, take any steps necessary to remedy such failure. Grantor shall reimburse Beneficiary for all amounts expended in so doing on demand with interest, at a rate equal to the lesser of ten percent (10%) per annum or the highest rate permitted by applicable law, from the date of expenditure until repaid. Such action by Beneficiary shall not constitute a waiver of the default or any other right or remedy which Beneficiary may have on account of Grantor's default.

16.7 Applicable Law. This Trust Deed shall be governed by, and construed and enforced in accordance with, the laws of the state of Oregon.

16.8 Financial Statements. Grantor will furnish to Beneficiary on or before ninety (90) days following the end of each fiscal year the current annual fiscal year unaudited balance sheet and statements of income and surplus of Grantor prepared by a certified public accountant in accordance with generally accepted accounting principles consistently applied. Grantor also will furnish to Beneficiary such interim financial statements as Beneficiary may reasonably request.

16.9 Time of Essence. Time is of the essence of this Trust Deed.

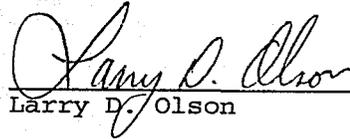
16.10 Headings. The headings to the sections and paragraphs of this Trust Deed are included only for the convenience of the parties and shall not have the effect of defining,

diminishing, or enlarging the rights of the parties or affecting the construction or interpretation of any portion of this Trust Deed.

16.11 Severability. If any provision of this Trust Deed shall be held to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Trust Deed, but this Trust Deed shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

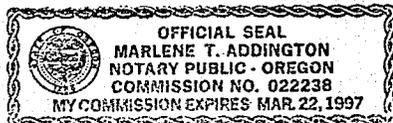
16.12 Entire Agreement. This Trust Deed and the Agreement contain the entire agreement of the parties with respect to the matters covered, and no other previous agreement, statement, or promise made by any party to this Trust Deed that is not contained in its terms or in the terms of the Agreement shall be binding or valid.

IN WITNESS WHEREOF, this Trust Deed has been duly executed by Grantor the day and year first above written.


Larry D. Olson

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on ^{May}~~April~~ 1,
1995, by Larry D. Olson. 



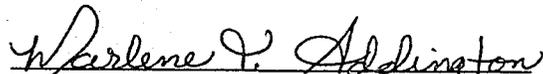

Notary Public for Oregon
My commission expires: 3-22-97

EXHIBIT "A"

PARCEL 1:

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 15: W 1/2 SW 1/4
 Section 16: NE 1/4 SE 1/4, S 1/2 SE 1/4, EXCEPTING THEREFROM:
 Beginning at a point 208.7 feet West of the Northeast corner of the SW 1/4 of the SE 1/4 of Section 16, Township 35 South, Range 14 East of the Willamette Meridian; thence South 208.7 feet; thence West 208.7 feet; thence North 208.7 feet; thence East 208.7 feet to the point of beginning.
 Section 21: E 1/2 NE 1/4, N 1/2 NW 1/4, SW 1/4 NW 1/4, NW 1/4 SW 1/4
 Section 22: NW 1/4

ALSO

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 20: SW 1/4 SE 1/4
 Section 28: W 1/2 SW 1/4
 Section 29: N 1/2 NE 1/4, SE 1/4 NE 1/4, NE 1/4 SE 1/4

ALSO

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 19: S 1/2 SE 1/4
 Section 20: W 1/2 SW 1/4, NE 1/4 SW 1/4, NW 1/4 SE 1/4
 Section 29: SE 1/4 SE 1/4

ALSO

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 20: SE 1/4 SW 1/4
 Section 29: NW 1/4, N 1/2 SW 1/4, SW 1/4 SW 1/4, SW 1/4 NE 1/4, W 1/2 SE 1/4
 Section 30: E 1/2, E 1/2 W 1/2
 Section 31: NE 1/4, NE 1/4 NW 1/4, S 1/2, SE 1/4 NW 1/4, Government Lot 2, EXCEPTING NE 1/4 NE 1/4 SE 1/4, SE 1/4 SE 1/4 NE 1/4, S 1/2 NE 1/4 SE 1/4 NE 1/4

Continued on next page

EXHIBIT "A" CONTINUED

ALSO

Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 6: All

ALSO

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 20: NW 1/4, W 1/2 NE 1/4
Section 29: SE 1/4 SW 1/4

ALSO

Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 7: N 1/2 N 1/2 S 1/2, NW 1/4, NE 1/4

EXCEPT THEREFROM that portion of the above parcels conveyed to Klamath County by instrument recorded May 7, 1963 in Book M-59 at Page 3418 through 3423, Microfilm Records.

ALSO

Government Lots 1, 2, 3 and 4, Section 30, Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon. EXCEPTING THEREFROM the NE 1/4 of said Government Lot 2.

ALSO

The NE 1/4 of Government Lot 2, Section 30, Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The W 1/2 E 1/2 and SE 1/4 SE 1/4 Section 33, Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon, AND All of Section 4, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon. EXCEPTING the SE 1/4 SE 1/4 NW 1/4, SW 1/4 SW 1/4 NE 1/4 and SE 1/4 SE 1/4.

EXHIBIT A PAGE 2 OF 6

EXHIBIT "A" CONTINUED

ALSO

All Section 3, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPT the NW 1/4 SE 1/4 NE 1/4, N 1/2 of Lot 4 (N 1/2 NW 1/4 NW 1/4), N 1/2 N 1/2 NE 1/4 SW 1/4, N 1/2 S 1/2 NW 1/4 SE 1/4, S 1/2 S 1/2 SW 1/4 SE 1/4, S 1/2 S 1/2 SW 1/4 SE 1/4.

AND

SE 1/4 SE 1/4 NW 1/4, SW 1/4 SW 1/4 NE 1/4 Section 4, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

Parcels 2 and 3 of Land Partition 24-92 situated in Sections 13, 14, 15, 23, 24, 25 and 26, Township 37 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The N 1/2 S 1/2 NW 1/4 SE 1/4, Section 3, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The N 1/2 N 1/2 NE 1/4 SW 1/4, Section 3, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The SE 1/4 SE 1/4, Section 4, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

Township 35 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 32: W 1/2, W 1/2 E 1/2

Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 5: All

Section 8: All

Continued on next page

EXHIBIT A PAGE 3 OF 6

EXHIBIT "A" CONTINUED

ALSO

The S 1/2 of the N 1/2 of the S 1/2 and the S 1/2 of the S 1/2 in Section 7, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

All of Section 9, EXCEPTING THEREFROM the S 1/2 of the S 1/2 of the NW 1/4 of the NW 1/4, and the N 1/2 of the N 1/2 of the SW 1/4 of the NE 1/4, and the N 1/2 of the S 1/2 of the NE 1/4 of the NE 1/4, and the S 1/2 of the S 1/2 of the NW 1/4 of the SE 1/4, and the S 1/2 of the N 1/2 of the SE 1/4 of the SW 1/4, and the S 1/2 of the S 1/2 of the NW 1/4 of the SW 1/4, and the N 1/2 of the S 1/2 of the SW 1/4 of the SW 1/4, and the S 1/2 of the N 1/2 of the SE 1/4 of the NW 1/4, all in Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 2:

The S 1/2 NW 1/4, Section 1; Lot 1 and SE 1/4 NE 1/4, Section 2, All in Township 36 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The SW 1/4, W 1/2 SE 1/4, Section 1 and the E 1/2 SE 1/4, Section 2, All in Township 36 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The S 1/2 NE 1/4, E 1/2 SE 1/4, Section 1, Township 36 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

PARCEL 3:

The NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.
LESS AND EXCEPT the following:

Beginning at the Northeast corner of the NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian; thence 1,000 feet South; thence 420 feet West; thence 1,000 feet North; thence 420 feet East to the point of beginning.

EXHIBIT "A" CONTINUED

ALSO

Beginning at the Northeast corner of the NW 1/4 of Section 29, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon; thence 1,000 feet South, thence 420 feet West; thence 1,000 feet North; thence 420 feet East to the point of beginning.

ALSO

The E 1/2 NE 1/4 Section 31, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The W 1/2 NW 1/4, Section 31, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The E 1/2 NW 1/4, Section 35, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

The W 1/2 NW 1/4, Section 35, Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO

Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 23:	Beginning at a point 100 feet West of the Southeast corner of the SW 1/4 SE 1/4 of Section 23; thence North 200 feet; thence West 200 feet; thence South 200 feet; thence East 200 feet to the point of beginning.
Section 24:	All
Section 25:	N 1/2 NW 1/4 NW 1/4, E 1/2 NW 1/4, NE 1/4 SW 1/4, E 1/2 NE 1/4, SE 1/4
Section 26:	All
Section 36:	NW 1/4 NE 1/4

EXHIBIT A PAGE 5 OF 6

EXHIBIT "A" CONTINUED

Township 36 South, Range 15 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

Section 16: W 1/2 SW 1/4
 Section 17: W 1/2, S 1/2 SE 1/4
 Section 18: S 1/2 N 1/2, N 1/2 S 1/2
 Section 19: All
 Section 20: N 1/2 N 1/2, SE 1/4 NW 1/4, NE 1/4 SW 1/4,
 SW 1/4 NE 1/4
 Section 21; W 1/2, SE 1/4
 Section 27: W 1/2, SE 1/4
 Section 29: E 1/2, SW 1/4
 Section 31; W 1/2 NE 1/4, E 1/2 NW 1/4, N 1/2 S 1/2
 Section 33: W 1/2, SE 1/4
 Section 35: S 1/2

SAVING AND EXCEPTING a strip of land 66 feet in width across the SE 1/4 SE 1/4 of Section 21 and the NE 1/4 SE 1/4 of Section 31, Township 36 South, Range 15 East of the Willamette Meridian, conveyed to Weyerhaeuser Timber Company as described in Parcela 1 and 2 in Deed recorded July 25, 1958 in Book 301 at Page 347, Deed Records of Klamath County, Oregon.

ALSO SAVING AND EXCEPTING a strip of land 66 feet in width in the N 1/2 NW 1/4 and SW 1/4 NE 1/4 of Section 33, Township 36 South, Range 15 East of the Willamette Meridian, conveyed to Weyerhaeuser Timber Company by Deed recorded January 13, 1959 in Book 308 at Page 577, Deed Records of Klamath County, Oregon.

ALSO

The W 1/2 NE 1/4, Section 25, Township 36 South, Range 14 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXHIBIT A PAGE 6 OF 6



EXHIBIT B

11222

625 Main Street
Klamath Falls, Oregon 97601
(803) 884-5137

April 25, 1995

AMENDMENT TO PRELIMINARY TITLE REPORT

Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, Oregon 97601

Attn: Marlene

Escrow Number: 1043147
Escrow Officer: Marlene T. Addington
Title Number: 43147
Title Officer: Wilma Waddell

Name Reference:

Seller: Bernard L. Simonsen

Buyer: Larry D. Olson

As of April 17, 1995, your Preliminary Title Report Numbered
above is hereby Amended in the following particulars only:

Exception No. 64 is corrected to read:

64. Easement, including the terms and provisions thereof:
For: Electric transmission and distribution line
Granted to: Pacific Power & Light Company, a corporation
Recorded: June 27, 1990
Book: M-90
Page: 12572
Fee No.: 16765

All other matters remain as previously reported.

ASPEN TITLE & ESCROW, INC.

BY:

Wilma Waddell
Wilma Waddell
Examiner

WW:hjl



Aspen

TITLE & ESCROW, INC.

525 Main Street
 Hamath Falls, Oregon 97601
 (503) 884-5137

Title Number : 43147

Page 2

The policy shall be issued subject to the usual printed conditions and stipulations and exclusions from coverage appearing in such policy form and the following:

1. Taxes for 1994-95:

Amount: \$38.74
 Plus interest: \$ 1.55
 Account No.: 104551
 Key No.: 44776

Taxes for 1993-94:

Amount: \$46.84
 Plus interest: \$ 9.37
 Account No.: 104551
 Key No.: 44776

Taxes for 1992-93:

Amount: \$57.40
 Plus interest: \$20.67
 Account No.: 104551
 Key No.: 44776

Taxes for 1991-92:

Amount: \$64.81
 Plus interest: \$33.70
 Account No.: 104551
 Key No.: 44776

Taxes for 1990-91:

Amount: \$58.75
 Plus interest: \$39.94
 Account No.: 104551
 Key No.: 44776

Taxes for 1989-90:

Amount: \$12.56
 Plus interest: \$10.55
 Account No.: 104551
 Key No.: 44776

Taxes for 1988-89:

Amount: \$9.40
 Plus interest: \$9.24
 Account No.: 104551
 Key No.: 44776

Continued on next page

EXHIBIT B PAGE 2 OF 15

Title Number: 43147
Page 3

Taxes for 1987-88:
Amount: \$9.38
Plus interest: \$10.35
Account No.: 104551
Key No.: 44776

Taxes for 1986-87:
Amount: \$7.27
Plus interest: \$8.90
Account No.: 104551
Key No.: 44776

Taxes for 1985-86:
Amount: \$7.45
Plus interest: \$10.01
Account No.: 104551
Key No.: 44776

Taxes for 1984-85:
Amount: \$7.15
Plus interest: \$10.46
Account No.: 104551
Key No.: 44776

Taxes for 1982-83:
Amount: \$51.83
Balance owing: \$11.66
Plus interest: \$19.51
Warrant: \$30.00
Account No.: 104551
Key No.: 44776

(Mobile Home) (Good thru May 15, 1995)

2. As disclosed by the tax roll the premises herein described have been zoned or classified for farm use. At any time that said land is disqualified for such use, the property may be subject to additional taxes or penalties and interest.

3. This property lies within and is subject to the levies and assessments of the Fire Patrol District.

4. Rights of the public in and to any portion of the herein described premises lying within the boundaries of roads or highways.

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5. Right, title or interest of the public, including governmental bodies in and to that portion of said premises lying below the ordinary high water line of the Sprague River or Meryl Creek and public rights of fishing and recreation in and to the shoreline of said river.

6. All matters arising from any shifting in the course of Sprague River or Meryl Creek, including but not limited to accretion, reliction and avulsion.

7. Any improvement located upon the insured property, which constitutes a mobile home as defined by Chapter 801, Oregon Revised Statutes, is subject to registration and taxation as therein provided and as provided by Chapter 308, Oregon Revised Statutes.

8. Access restrictions, if any, for ingress and egress to and from Klamath Falls-Lakeview Highway State 140.

9. No search has been made for Financing Statements filed in the office of the Secretary of State or for filings in the office of the County Recorder under names or legal descriptions other than those shown in this report, and no liability is assumed for any such filings.

10. We are unable to ascertain from the records if the premises herein described has a means of ingress and egress to and from a legally dedicated road or highway, and for this reason, such rights cannot be insured. (Affects Parcel 2)

11. Easement as shown on Land Partition 24-92:
For: 60 foot vehicular and public utility easement

12. Right, Title and Interest of Harvey Joe Winer as disclosed by Mobile Home only.

13. Agreement, including the terms and provisions thereof:

Regarding: Water
Between: Lakeview Irrigation and Power Company, a corporation
And: Lewis F. Meeker
Recorded: September 36, 1914
Book: 39
Page: 625

14. Reservations and restrictions in Deed from Nolte-Utley Realty Co., to James Owen, recorded in Book 46 at Page 435, Deed Records of Klamath County, Oregon, as follows: "...subject to one-half of all oil, gas, coal and minerals, on, in or under said lands, together with the right to take and mine the same, are reserved by the grantor, its successors and assigns."
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15. Reservation in Deed:

Recorded: June 19, 1928
Book: 80
Page: 540
As follows: "...one-half of all oils, gas, coal and minerals, on, in or under said land, together with the right to take and mine the same, are reserved by the grantor, its successors and assigns.

16. Easement, including the terms and provisions thereof:

For: Irrigation and drainage purposes
Granted to: A. S. Conner
Recorded: June 25, 1928
Book: 80
Page: 575
Affects: Parcel 3

17. Reservations and restrictions, including the terms and provisions thereof, as contained in the Deed from James H. Owen and Mary E. Owen, husband and wife to Schallock & Daggett Co., a corporation, recorded February 27, 1928 in Book 85 at Page 374, Deed Records of Klamath County, Oregon.

18. Easement, including the terms and provisions thereof:

For: Right of way
Granted to: The California Oregon Power Company
Recorded: July 25, 1938
Book: 117
Page: 17

19. Reservations and restrictions contained in deed from Favell-Utley Realty Co. to Garner Lundy and Elizabeth Lundy, dated January 18, 1940, recorded February 26, 1940 in Book 127 at Page 301, Deed Records of Klamath County, Oregon, as follows: "...1/2 of all oils, gas, coal and minerals on, in or under said lands together with the right to take and mine the same, are reserved by the grantor, its successors and assigns."

20. Easement, including the terms and provisions thereof:

For: Right of way for transmission line and distribution of electricity
Granted to: The California Oregon Power Company
Recorded: March 6, 1941
Book: 136
Page: 32

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21. Reservations and restrictions as contained in Deeds recorded in:

Book: 137
 Page: 99
 Book: 145
 Page: 387
 Book: 153
 Page: 309
 Book: 162
 Page: 567

including but not limited to the following: "...existing rights of way for utilities, highways, roads and the like."

22. Easement, including the terms and provisions thereof:

For: Right of way
 Granted to: The United States of America
 Recorded: November 28, 1942
 Book: 151
 Page: 333
 (Affects Parcel 3)

23. Easement, including the terms and provisions thereof:

For: Right of way
 Granted to: Pacific Power & Light Company, a corporation
 Recorded: November 18, 1946
 Book: 198
 Page: 401
 Recorded: November 22, 1946
 Book: 199
 Page: 53
 (Affects Parcel 3)

24. Reservations and restrictions in Deed:

From: George S. Boyd, et ux.
 To: Edward F. Fitzpatrick, et ux.
 Dated: November 20, 1948
 Recorded: January 10, 1949
 Book: 227
 Page: 533

As follows: "...easement to Garner Lundy for ditch as now located, taking out of the North Fork of Sprague River."

25. Reservation of coal and minerals in Deed:

From: State of Oregon
 Recorded: December 6, 1949
 Book: 235
 Page: 482

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26. Easement, including the terms and provisions thereof:
Granted to: The California Oregon Power Company
Recorded: June 5, 1951
Book: 247
Page: 519

27. Easement, including the terms and provisions thereof:
For: Ingress and egress
Granted to: L. L. Low and Francis Low and Bertha Teed and
B. K. Teed and assigns
Recorded: September 6, 1956
Book: 286
Page: 392
Fee No.: 12991

Said instrument was re-recorded:
Date: September 10, 1956
Book: 286
Page: 425

28. Reservations and restrictions as contained in Land Status
Report:
Recorded: October 28, 1958
Book: 305
Page: 465

As follows: "...and there is reserved from the lands herein
granted a right of way thereon for ditches or canals
constructed by the United States."

29. Reservations contained in Land Status Report:
Recorded: January 13, 1959
Book: 308
Page: 551
(Affects S 1/2 NW 1/4 Sec. 1, Twp 36 S., R 13 EWM., and
Government Lot 1 and SE 1/4 NE 1/4 Sec. 2, Twp 36 S., R 13 EWM.)

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30. Reservations, including the terms and provisions thereof, as set forth in instrument:

Recorded: June 23, 1959
Book: 313
Page: 468
As follows:

"...title to the above described property is conveyed subject to a 60 foot right of way for Indian Service Road No. S-55, approved January 5, 1959 by M. M. Zollar, Superintendent, Klamath Indian Agency, Klamath County, Oregon, pursuant to the Provisions of the Act of February 5, 1948 (62 Stat. 19; 25 U.S.C. 323-328); Public Law 587, August 13, 1954 (68 Stat. 772, Section 17); and Departmental Regulations 25 CRF 161, 22 FR 248) and subject to prior valid existing rights or adverse claims.

Title to the above described property is conveyed subject to all other existing easements for public roads and highways, for public utilities, and for railroads and pipe lines and for any other easements or rights of way of record; and there is hereby reserved any and all roads, trails, telephone lines, etc., actually constructed by the United States, with the rights of the United States to maintain, operate or improve the same as long as needed or used for or by the United States. (Dept. Instr., January 13, 1916, 44 L. D. 513.)"

31. Reservations and recitals set forth in Deed from Frederick W. Hyde and Elizabeth H. Hyde, husband and wife to Tottsie W. J. Lorenz, dated October 6, 1959 and recorded October 20, 1959 in Book 316 at Page 528, Deed Records of Klamath County, Oregon.

32. Easement, including the terms and provisions thereof:

For: Right of way
Granted to: The California Oregon Power Company
Recorded: January 21, 1960
Book: 318
Page: 380

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33. Easement, right and privilege to hunt, shoot, take and take & kill any and all wild game, including the terms and provisions thereof:

From: Elva G. Anderson, a single woman, James Anderson, a single man by his attorney in fact, Elva G. Anderson, Oscar T. Anderson, Jr. and Jeanie L. Anderson, his wife, Norman Miller Anderson, a single man, Norma Mae Gallagher, formerly Norma Mae McLeod, and Dan T. Gallagher
To: A. C. Yaden and Irene V. Yaden, husband and wife
Recorded: May 25, 1960
Book: 321
Page: 402

Above easement, right and privilege is subject to the Decree and Judgment in Equity Suit No. 67-256, entered December 12, 1969 and any provisions or conditions ordered, adjudged and decreed therein.

34. Easement, including the terms and provisions thereof:

Granted to: The California Oregon Power Company
Recorded in:
Book: 328
Page: 222

35. Easement, including the terms and provisions thereof:

For: Electrical transmission line
Granted to: The California Oregon Power Company
Recorded: March 28, 1961
Book: 328
Page: 224

36. Easement, including the terms and provisions thereof:

For: Electric power over the S 1/2 S 1/2 and NW 1/4 SW 1/4 all in Sec. 6, Twp 36 S., R 14 EWM.
Granted to: The California Oregon Power Company
Recorded: March 28, 1961
Book: 328
Page: 226

37. Easement, including the terms and provisions thereof:

For: A right of way for ingress and egress over Sec. 6, Twp 36 S., R 14 EWM.
Granted to: Heaton Steel and Supply, Inc.
Recorded: April 21, 1961
Book: 329
Page: 46

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38. Easement, including the terms and provisions thereof:
Granted to: United States of America, by and through the
Forest Service
Recorded: January 28, 1963
Book: 342
Page: 617

39. Reservations and restrictions contained in Deed:
From: Dave J. Campbell et ux.
To: Gordon Dolan and Roberta Carol Dolan, husband
and wife
Dated: October 1, 1963
Recorded: October 7, 1963
Book: 348
Page: 443
As follows: "...agreement permitting removal of aggregates"
(SE 1/4 Sec. 19, Twp 36 S., R 15 EWM.)

40. Easement, including the terms and provisions thereof:
For: Right of way
Granted to: Pacific Power & Light Company, a Maine Corporation
Recorded: February 18, 1965
Book: 359
Page: 378

41. Reservation of hunting and fishing rights for Harry
Obenchain during his lifetime, including the terms and
provisions thereof, as set forth in Sale Agreement between Meryl
Creek Cattle Co., a partnership and Rega D. Freeman and Mary
Alice Freeman, husband and wife, recorded June 3, 1965 in Book
362 at Page 176, Deed Records.

42. Easement, including the terms and provisions thereof:
For: Boulder Creek Road Project
Granted to: United States of America
Recorded: June 25, 1965
Book: 362
Page: 447

43. Easement, including the terms and provisions thereof:
Granted to: Weyerhaeuser Company, a corporation of the
State of Washington
Recorded: August 27, 1965
Book: M-65
Page: 1223

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44. Easement, including the terms and provisions thereof:
For: Right of way
Granted to: United States of America
Recorded: October 20, 1967
Book: M-67
Page: 8192

45. Reservations and Restrictions in Deed:
From: United States of America
To: Vance Hall and Barbara Hall
Recorded: April 25, 1968
Book: M-68
Page: 3305
As follows:

"...and there is reserved from the land hereby granted, a right of way thereon for ditches or canals constructed by the authority of the United States. Reserving, also to the United States all minerals, oil, and gas in the land so patented, and to it or person authorized by it, the right to prospect for, mine and remove such deposits from the same, in accordance with the provisions of the Act of February 28, 1925."

46. Easement, including the terms and provisions thereof:
For: Right of way
Granted to: Pacific Power & Light Company, a corporation
Recorded: May 8, 1968
Book: M-58
Page: 4205

47. Easement, including the terms and provisions thereof:
Granted to: Weyerhaeuser Company, a corporation of the State of Washington
Recorded: December 16, 1968
Book: M-68
Page: 10828

48. Easement, including the terms and provisions thereof:
For: Right of way
Granted to: United States of America
Recorded: October 21, 1969
Book: M-69
Page: 8978

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49. Easement, including the terms and provisions thereof:

Granted to: Weyerhaeuser Company, a corporation
Recorded: April 6, 1971
Book: M-71
Page: 2842
And recorded: October 11, 1971
Book: M-71
Page: 10644

50. Easement as disclosed by instrument:

Recorded: June 7, 1972
Book: M-72
Page: 6057

51. Conditions and Restrictions in Deed:

Recorded: February 20, 1973
Book: M-73
Page: 1821

which cites in part as follows: "...except as to the mineral reservations hereinabove set forth, the Grantor hereby expressly waves, excepts and reserves out of the grant hereby made, unto itself, its successors and assigns, forever, all ores and minerals of any nature whatsoever in or upon said land."

52. Permit to use road, including the terms and provisions thereof, given by Vance Hall and Barbara Hall to Norman J. Duffy and Darle E. Duffy, dated March 18, 1973, recorded March 21, 1973 in Book M-73 at Page 3023, Miscellaneous Records of Klamath County, Oregon.

53. Easement, including the terms and provisions thereof:

For: Right of way for an electric transmission and distribution line
Granted to: Pacific Power & Light Company, a corporation
Recorded: November 7, 1977
Book: M-77
Page: 21405

54. Easement, including the terms and provisions thereof:

For: Right of way for an electric transmission and distribution line
Granted to: Pacific Power & Light Company, a corporation
Recorded: May 19, 1980
Book: M-80
Page: 9150

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55. Easement, including the terms and provisions thereof:
Over: Existing roadway
Granted to: Frederick W. Hyde and Elizabeth H. Hyde
Recorded: January 30, 1981
Book: M-81
Page: 1455
Fee No.: 95271

56. Easement, including the terms and provisions thereof:
For: Electric transmission and distribution lines
Granted to: Pacific Power & Light Company
Recorded: August 4, 1983
Book: M-83
Page: 12839
Fee No.: 26545

57. Easement, including the terms and provisions thereof:
Recorded: September 27, 1983
Book: M-83
Page: 16617

58. Easement, including the terms and provisions thereof:
Recorded: November 1, 1983
Book: M-83
Page: 18833

59. Subject to the life estate as disclosed by instrument:
Of: Gordon G. Hevern and Lily T. Hevern
Recorded: December 30, 1986
Book: M-86
Page: 24111

which cites in part as follows: "...reserving a life estate in the residence only for grantors, Gordon G. Hevern and Lily T. Hevern for the lives of the grantors, Gordon G. Hevern and Lily T. Hevern and for the life of the survivor of them."

60. Agreement for Easement, including the terms and provisions thereof:
Between: Bernard & Rhea E. Simonsen, TTES Simonsen Family Trust dated 03-20-86
And: Patricia Jill Switzler, Martha Jane Cassidy, Dallas Henry Givan, James Jess Givan and Ann Jane Givan Montgomery
Recorded: November 2, 1987
Book: M-87
Page: 19797
Fee No.: 81099

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61. Deed and Easement Agreement, including the terms and provisions thereof:

Between: Patricia Jill Switzler
And: Martha Jane Cassidy, Dallas Henry Givan, James Jess Givan and Ann Jane Givan Montgomery
Recorded: November 2, 1987
Book: M-87
Page: 19803
Fee No.: 81101

62. the effect of Easement Agreement, including the terms and provisions thereof:

Between: Frederick D. Ehlers
And: Frank W. Obenchain and Ruth Obenchain, husband and wife
And: HDI Associates V, an Oregon Limited Partnership
Recorded: November 2, 1988
Book: M-88
Page: 18629
Fee No.: 93448

Assignment of Easement Agreement, including the terms and provisions thereof:

To: PacifiCorp, doing business as Pacific Power & Light Company, an Oregon Corporation
Recorded: November 21, 1991
Book: M-91
Page: 24393
Fee No.: 37657

63. The effect of Easement Agreement, including the terms and provisions thereof:

Between: Frederick D. Ehlers
And: Frank W. Obenchain and Ruth Obenchain, husband and wife
And: HDI Associates V, an Oregon Limited Partnership
Recorded: March 14, 1989
Book: M-89
Page: 4273
Fee No.: 98013

Assignment of Easement Agreement, including the terms and provisions thereof:

To: PacifiCorp, doing business as Pacific Power & Light Company, an Oregon Corporation
Recorded: November 21, 1991
Book: M-91
Page: 24393
Fee No.: 37657

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64. Easement, including the terms and provisions thereof:
For: Electric transmission and distribution line
Granted to: Pacific Power & Light Company, a corporation
Recorded: November 21, 1991
Book: M-91
Page: 24393
Fee No.: 37657

NOTE: Information obtained from the State of Oregon, Corporation Division discloses that Larry D. Olson Logging is not registered to do business in the State of Oregon. Any limitation that such failure to register may place on the rights of said party, including but not limited to those limitations set forth in ORS 57.655, is hereby excepted.

NOTE: A judgment search reveals the following, which may be against LARRY D. OLSON:

Judgment in the State Circuit Court:
In Favor of: The State of Oregon
Against: Larry Olson
Suit No.: 94-2082CR
Entered: November 30, 1994
Amount: \$408.00

NOTE: See attached paid taxes.

NOTE: See attached paid mobile home taxes.

NOTE: We find an easement appurtenant to the herein described property in instrument:

Recorded: March 17, 1994
Book: M-94
Page: 8105
Fee No.: 77665

No examination has been made to determine the insurability of the above easement. An additional charge will be made for such an examination.

NOTE: Power of Attorney:
Granted by: Larry Olson
To: Shirley Olson, as Attorney-in-Fact
Recorded: January 8, 1992
Book: M-92
Page: 447
Fee No.: 39574

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STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 1st day
of May A.D., 19 95 at 10:58 o'clock A M., and duly recorded in Vol. M95
of Mortgages on Page 11194

FEE \$220.00

By Bernetha G. Letsch County Clerk