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Vol. 1798 Page 47520

ASPEW 982469  
TRUST DEED

DATED: August 31, 1998

BETWEEN: J.R. SIMPLOT, as Trustee of the  
J.R. SIMPLOT SELF DECLARATION  
OF REVOCABLE TRUST DATED  
DECEMBER 21, 1989  
c/o J.R. Simplot Company  
999 Main Street, Suite 1300  
PO Box 27  
Boise, Idaho 83707

GRANTOR

AND: METROPOLITAN LIFE INSURANCE COMPANY  
One Madison Avenue  
New York, NY 10010

BENEFICIARY

AND: TICOR TITLE INSURANCE COMPANY  
421 SW Stark Street  
Portland, OR 97224

TRUSTEE

Grantor is the owner of the real property in Lake County, Oregon described on attached Exhibit A-1, and the lessee of the real property in Lake, Deschutes and Klamath Counties, Oregon described on attached Exhibit A-2.

Beneficiary has lent to Grantor, J.R. Simplot Company and J.R. Simplot the sum of \$16,440,000 on certain terms and conditions. Such amount will be repayable with interest according to the terms of a promissory note given to evidence such indebtedness, dated December 30, 1993, under which the final payment of principal and interest will be due on November 1, 2008. The promissory note, and any note or notes given in renewal, modification, substitution or addition to the promissory note originally issued, is referred to as "the Note." The loan is subject to certain terms and conditions set forth in that Loan Agreement between Grantor, J.R. Simplot, J.R. Simplot Company and Beneficiary dated December 30, 1993 (the "Loan Agreement").

The term "Indebtedness" as used in this Trust Deed shall mean (a) the principal and interest payable under the Note, (b) any future amounts that Beneficiary may in its discretion loan to Grantor, with interest thereon, (c) any amounts expended or advanced by Beneficiary to discharge obligations of Grantor or expenses incurred by Beneficiary or Trustee to enforce obligations of Grantor, as permitted under this Trust Deed, the Other Trust Deed, or under the Security Agreement and other instruments securing the Note. (The Security Agreement and other security instruments are hereafter referred to as the "Other

Security Instruments"), and (d) any amount, with interest thereon as provided in Section 16.4 below, payable to Beneficiary under Section 4.(c) of the Loan Agreement to the extent Beneficiary specifically elects by written notice to Grantor to include such amounts in the Indebtedness.

Pursuant to an Assumption Agreement dated as of August 31, 1998, Grantor assumed all of the obligations of J.R. Simplot Company under the Note, Loan Agreement, Security Agreement and Other Trust Deed.

The Indebtedness is also secured by a Trust Deed dated December 30, 1993 (the "Other Trust Deed") from Grantor and J.R. Simplot Company as grantors, Beneficiary, and Ticor Title Insurance Company, as Trustee, recorded

- (a) December 30, 1993 in Book 324, page 1000, Records of Deschutes County, Oregon, and
- (b) December 30, 1993 in Book 99, page 30, Records of Lake County, Oregon, and
- (c) December 30, 1993 in Volume M93, page 35191, Records of Klamath County, Oregon.

FOR VALUE RECEIVED, Grantor conveys to Trustee in trust the following:

- (1) The real property in Lake County, Oregon described on attached Exhibit A-1 (the "Fee Lands") and the Grantor's leasehold interest in the real property in Lake, Klamath and Deschutes Counties, Oregon described on attached Exhibit A-2 (the "Leased Lands"). (The Fee Lands and the Leased Lands are collectively referred to as the "Real Property").
- (2) Grantor's interest in the leases described on attached Exhibit A-2, together with any extensions or renewals thereof (the "Leases").
- (3) All furnishings, fixtures (including trade fixtures), appliances, furniture, supplies, equipment, inventory, equipment used for the production of water on the Real Property or for the irrigation or drainage thereof and all other tangible and intangible personal property of Grantor, whether now owned or hereafter acquired, and whether now existing or hereafter arising, and all accessions, parts, additions, replacements and substitutions for any of such property, and all proceeds (including insurance proceeds) from the sale or other disposition of any of such property (the "Personal Property"). BUT EXCLUDING THE ANNUAL HAY CROP.



(4) All water, water rights, ditches and ditch rights, any permits, licenses, certificates or shares of stock evidencing any such water or ditch rights, and any such rights acquired in the future, which entitle Grantor to use water for any purpose upon the Real Property.

(5) All grazing leases, permits, allotments, licenses and privileges (the "Permits") covering state or federally owned lands used or operated in connection with the Real Property, together with all renewals of such Permits and any such Permits acquired in the future, including but not limited to the Permits described on attached Exhibit C.

Grantor presently assigns to Beneficiary all of Grantor's right, title and interest in and to all rents, revenues, income, issues and profits, **BUT EXCLUDING THE ANNUAL HAY CROP** (the "Income") from the Real Property, Personal Property, Leases and Permits, whether now or hereafter due.

Grantor grants Beneficiary a security interest in the Income, the Leases, the Permits and the Personal Property.

The real and personal property described above is referred to as the "Property."

This Trust Deed, the assignment of the Income, and security interest are given to secure payment of the Indebtedness and performance of all obligations of Grantor under this Trust Deed and are given and accepted on the following terms and conditions which Grantor will promptly and faithfully observe and perform:

1. PAYMENT AND PERFORMANCE

Grantor shall pay to Beneficiary promptly when due all amounts payment of which is secured by this Trust Deed and shall strictly perform all obligations imposed upon Grantor by this Trust Deed.

2. POSSESSION AND MAINTENANCE OF THE PROPERTY

2.1 Possession. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Income from the Property.

2.2 Duty to Maintain. Grantor shall maintain the Property in good condition and promptly perform all repairs and maintenance necessary to preserve its value. The Real Property shall be cultivated in accordance with good husbandry practices and all farming and ranching operations shall be conducted in such a manner as to prevent deterioration of the Property.

2.3 Nuisance, Waste. Grantor shall not conduct or permit any nuisance and shall not commit or suffer any strip or waste on the Property.

2.4 Removal of Improvements. Grantor shall not demolish or remove any improvements from the Property without the prior written consent of Beneficiary. Beneficiary shall consent if Grantor makes arrangements satisfactory to Beneficiary to replace any improvement which Grantor proposes to remove with one of at least equal value. "Improvements" shall include all existing and future buildings, structures and other fixtures and improvements now or hereafter installed in or attached to the Real Property, including but not limited to fences, corrals, scales, mobile homes, silos, storage facilities and irrigation equipment.

2.5 Beneficiary's Right to Enter. Beneficiary and its agents and representatives may enter upon the Property at all reasonable times to attend to Beneficiary's interest and to inspect the Property and to inspect any and all financial and other records relating to Grantor's operations on the Property.

2.6 Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances and regulations of all governmental authorities applicable to the use or occupancy of the Property. 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.

2.7 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.

2.8 Water Rights. All existing water rights benefiting the Property shall be maintained by Grantor and applied to beneficial use so as to maintain the validity and priority of such rights.

2.9 Grazing Permits and Licenses. Grantor covenants and agrees to renew the Permits upon or prior to their expiration date, to execute any instrument deemed necessary by Beneficiary to effect a collateral assignment or waiver of such renewals to the Beneficiary, and to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing all of such Permits and all renewals thereof. Grantor shall take no action which would adversely affect any of such Permits or Grantor's preference status thereunder, and that in the event of foreclosure of this Trust Deed, Grantor will waive all claims for preference under any such Permits upon demand from the purchaser at foreclosure sale of the Real Property, or any successor to such purchaser. Grantor further agrees that the lands covered by any lease, permit or privilege which Grantor, with the consent of Beneficiary, shall substitute for the Permits, shall be subject to the provisions of this Trust Deed. Upon foreclosure and sale of the Real Property, title to the improvements held by Grantor on any federal or state lands covered by the Permits, together with Grantor's



right to be paid the reasonable value thereof, shall pass free of all encumbrances other than those of the United States or the State of Oregon, to the purchaser at such sale, and the Beneficiary is hereby authorized to execute, at its option, on behalf of the Grantor, a bill of sale for such improvements. If title in fee simple to any of the lands covered by the Permits (or to any other lands lying within the exterior boundaries of the fee owned and leased lands herein described) shall hereafter be acquired by the Grantor, it is understood and agreed that such lands shall, upon such acquisition, become subject to the lien of this Trust Deed to the same extent as though lands had originally been included herein as part of the Real Property, and, further, that all of the terms, covenants, conditions and stipulations of this Trust Deed, applicable to the Real Property, shall extend and be applicable to any lands hereafter so acquired.

### 3. COVENANTS REGARDING LEASES

Grantor will:

- (a) Strictly and punctually pay and perform all obligations of the lessee under the Leases;
- (b) Promptly upon, but in no event later than ten (10) business days after learning thereof, but in any event, not less than ten (10) days prior to the expiration of any applicable grace period, notify Beneficiary in writing of the occurrence of any default under any of the Leases or the receipt of any notice or communication from the lessor asserting a default under any of the Leases;
- (c) Not assign, agree to assign, sell or transfer any interest in or grant any security interest or lien upon the Leases or Grantor's interest thereunder; and
- (d) Not terminate, amend or modify any Lease without the prior written consent of Beneficiary.

### 4. TAXES AND LIENS

4.1 Payment. Grantor shall pay when due all taxes and assessments levied against or on account of the Property, and 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 or claim in connection with a good faith dispute over the obligation to pay, so long as Beneficiary's interest in the Property is not jeopardized. If the Property is subjected

to a lien which is not discharged within 15 days, Grantor shall deposit with Beneficiary, or in favor of 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 a foreclosure or sale under the lien. In any contest 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 before enforcement against the Property.

4.3 Evidence of Payment. Grantor shall promptly furnish evidence of payment of taxes and assessments to Beneficiary on its 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, and shall pay the expense of a tax reporting service for the Property if required by Beneficiary.

4.4 Notice of Construction. Grantor shall notify Beneficiary at least 15 days before any work is commenced, any services are furnished or any materials are supplied to the Property if a construction lien could be asserted on account of the work, services or materials and the cost exceeds \$500,000. On Beneficiary's request, Grantor will promptly furnish advance assurances satisfactory to Beneficiary that Grantor can and will pay the cost of such improvements.

4.5 Farm or Forest Classification. Grantor agrees to maintain the farm use or forest lands classification of the Property on the tax rolls, and not to allow any act or omission which would disqualify the Property for assessment as farm or forest lands.

## 5. PROPERTY DAMAGE INSURANCE

5.1 Maintenance of Insurance. Grantor shall procure and maintain such policies of insurance as Beneficiary may reasonably require. This shall include policies of fire insurance and tornado insurance with standard extended coverage endorsements covering all improvements on the Property for their full insurable value, in an amount sufficient to avoid application of any coinsurance clause and with loss payable to Beneficiary. Policies shall be written in amounts, in form, on terms and with companies reasonably acceptable to Beneficiary. Grantor shall deliver to Beneficiary certificates of coverage from each insurer containing a stipulation that coverage will not be canceled or diminished without a minimum of 10 days' written notice to Beneficiary.

5.2 Application of Proceeds. Grantor shall promptly notify Beneficiary of any loss or damage of the Property which exceeds \$100,000. Beneficiary may make proof of loss if Grantor fails to do so within 15 days of the casualty. Beneficiary may, at its election, apply the proceeds attributable to such loss to the reduction of the Indebtedness or the restoration and repair of the Property. If Beneficiary elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Beneficiary. Upon satisfactory proof of such



expenditure, Beneficiary shall pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration. Any proceeds which have not been paid out within one (1) year after their receipt and which Beneficiary has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of Grantor's Indebtedness. If Beneficiary holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

5.3 Unexpired Insurance at Sale. Any unexpired insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Trust Deed at any trustee's sale or any foreclosure sale of the Property.

## 6. WARRANTIES OF GRANTOR

6.1 Title. Grantor warrants that it holds merchantable vendee's interest in the Property other than the Leased Lands pursuant to the Prior Contract (as defined in Section 12.1) free of all encumbrances other than those set forth in the attached Exhibit D, and that it is the owner of the lessee's interest in the Leases, free of all liens and encumbrances other than the Other Trust Deed.

6.2 Defense of Title. Subject to the exceptions in the paragraph above, Grantor warrants and will forever defend the title against the lawful claims of all persons claiming the same by, through or under Grantor. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Beneficiary or Trustee under this Trust Deed, Grantor shall defend the action at its expense.

6.3 Not Residential Trust Deed. Grantor warrants that this Trust Deed is not and will not at any time constitute a "residential trust deed" (as that term is defined in ORS 86.705(3) or its successor statutes). Grantor warrants that Grantor is engaging in this transaction exclusively for business, commercial, or investment purposes. Grantor covenants and agrees that the Property will never be used as the principal residence of J.R. Simplot, his spouse, or any of his minor children or dependent children.

## 7. CONDEMNATION

7.1 Application of Net Proceeds. If all or any part of the Property is condemned, and the value of the portion so condemned exceeds \$50,000, Beneficiary may elect to require that all or any portion of the net proceeds of the condemnation be applied on the Indebtedness. The "net proceeds" shall mean the total amount available after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor, Beneficiary, and Trustee in connection with the taking by condemnation. 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.

7.2 Proceedings. If any proceedings in condemnation are filed, Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. 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 such taking or damage, and to obtain all compensation, awards or other relief therefore to which Grantor may be entitled.

## 8. IMPOSITION OF TAX BY STATE

8.1 State Taxes Covered. The following shall constitute state taxes to which this Section applies:

- (a) A specific tax upon trust deeds or upon all or any part of the indebtedness secured by a trust deed.
- (b) A specific tax on a grantor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a trust deed.
- (c) A tax on a trust deed chargeable against the beneficiary or the holder of the note secured.
- (d) A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by a grantor.

8.2 Remedies. If any state tax to which this Section applies is enacted subsequent to the date of this Trust Deed, this shall have the same effect as a default, and Beneficiary may exercise any or all of the remedies available to it in the event of a default unless the following conditions are met:

- (a) Grantor may lawfully pay the tax or charge imposed by the state tax, and
- (b) Grantor pays the tax or charge within 30 days after notice from Beneficiary that the tax law has been enacted or 15 days prior to the date the tax is payable, whichever is later.



## 9. POWERS AND OBLIGATIONS OF TRUSTEE

9.1 Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the request of Beneficiary and Grantor:

- (a) Join in preparing and filing a map or plat of the Property, including the dedication of streets or other rights in the public.
- (b) Join in granting any easement or creating any restriction on the Property.
- (c) Join in any subordination or other agreement affecting this deed or the interest of Beneficiary under this deed.
- (d) Reconvey, without warranty, all or any part of the Property.

9.2 Obligations to Notify. Trustee shall not be obligated to notify any other party of a pending sale under any other trust deed or lien, or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

## 10. TRANSFER BY GRANTOR

10.1 Prohibition of Transfer Without Consent. Grantor shall not sell, agree to sell, assign, convey, subcontract, or otherwise transfer any part or all of the Property or any interest in the Property, without the prior written consent of Beneficiary, which consent may be withheld in Beneficiary's sole discretion. If Grantor or a prospective transferee applies to Beneficiary for consent to a transfer, Beneficiary may require such information as may be reasonably necessary for Beneficiary to assess the prospective transferee's prior business experience, reputation and financial ability to perform Grantor's obligations under this Trust Deed. Without limiting the generality of the foregoing, the occurrence at any time of any of the following events, without Beneficiary's prior written consent, shall be deemed a transfer of title to the Property:

- (a) Any sale, conveyance, lease, assignment or other transfer of, or the grant of a security interest in, all or any part of the legal or equitable title to the Property;
- (b) Any conveyance, grant or other transfer of the legal or equitable title to the Property which occurs by operation of law, by trustees in bankruptcy, executors or estate administrators or executors, or by or through a bankruptcy court.

10.2 Condition to Consent. As a condition of its consent to any transfer, Beneficiary may in its discretion impose a service charge not exceeding one percent of the outstanding Indebtedness and may increase the interest rate of the Indebtedness to such rate as Beneficiary may then determine to be its current rate on comparable new agricultural loans in the State of Oregon. Beneficiary may increase the amount of each remaining installment so that the Indebtedness will be fully paid by the original maturity date. In no event, however, shall the interest rate be increased beyond the maximum rate permitted under applicable law.

10.3 Effect of Consent. Consent by Beneficiary to one transfer shall not constitute a consent to other transfers or a waiver of this section. No transfer by Grantor shall relieve Grantor of liability for payment of the Indebtedness. Following a transfer, Beneficiary may agree to any extension of time for payment or modification of the terms of this Trust Deed or the Note or waive any right or remedy under this Trust Deed or the Note without relieving Grantor from liability. Grantor waives notice, presentment, and protest with respect to the Indebtedness.

#### 11. SECURITY AGREEMENT; SECURITY INTEREST

11.1 Security Agreement. This instrument shall constitute a security agreement with respect to the Income, the Leases, the Permits and the Personal Property included in the description of the Property.

11.2 Security Interest. Upon request by Beneficiary, Grantor shall execute financing statements and take whatever other action is requested by Beneficiary to perfect and continue Beneficiary's security interest in the Income and Personal Property described in and encumbered by this Trust Deed. Grantor hereby appoints Beneficiary as Grantor's attorney in fact for the purpose of executing any documents necessary to perfect or continue the security interest granted therein. Beneficiary may file copies or reproductions of this deed as a financing statement at any time and without further authorization from Grantor. Grantor will reimburse Beneficiary for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the personal property and make it available to Beneficiary within three days after receipt of written demand from Beneficiary.

11.3 Fixture Filing. This instrument constitutes a financing statement filed as a fixture filing in the Official Records of the County Recorder of the county in which the Property is located with respect to any and all fixtures included within the term Property as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures.



## 12. PRIOR INDEBTEDNESS

47530

12.1 Prior Lien. The Fee Lands are subject to a Land Sale contract between Brattain Bros, an Oregon corporation, and David E. Brattain, as sellers, and J.R. Simplot Company, as buyer, in the original principal amount of \$468,054, dated May 16, 1994, a memorandum of which was recorded May 20, 1994, in Book 226, page 144, Records of Lake County, Oregon (the "Prior Contract"). The vendor's interest in the Prior contract and Fees Lands have been conveyed to Grantor. Grantor shall pay the indebtedness secured by the Prior Contract when due and comply with the terms and conditions of the Prior Contract.

12.2 In the event Grantor fails to make any payment or perform any obligation required by the Prior Contract, Beneficiary shall have the right, at its option, to correct the default. All amounts expended by Beneficiary in correcting a default shall be immediately due and payable by Grantor to Beneficiary, together with interest thereon as provided in Section 16.4 below from the date of expenditure until repaid. Beneficiary's election to correct a default under the Prior Contract by Grantor shall not constitute a waiver of Beneficiary's right to declare Grantor to be in default under this Trust Deed.

## 13. RECONVEYANCE ON FULL PERFORMANCE

If Grantor pays all of the Indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Trust Deed, Beneficiary shall execute and deliver to Trustee a request for full reconveyance and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file. The reconveyance and filing fees shall be paid by Grantor.

## 14. DEFAULT

The following shall constitute events of default:

- (a) Failure of Grantor to pay any portion of the Indebtedness when it is due.
- (b) Failure of Grantor within the time required by this Trust Deed to make any payment for taxes, insurance or any other payment necessary to prevent filing of or discharge of any lien (or within such time discharge or bond such lien in the manner permitted in Section 4.2 above).
- (c) Transfer or agreement to transfer any part or interest in the Property without the prior written consent of Beneficiary, as required under Section 10 above.
- (d) Dissolution, termination of existence, insolvency on a balance sheet basis or business failure of Grantor; the commencement by Grantor of a voluntary

case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Grantor in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Grantor to the appointment of a receiver, trustee, or custodian of Grantor or of any of Grantor's property; an assignment for the benefit of creditors by Grantor; the making or suffering by Grantor of a fraudulent transfer under applicable federal or state law; concealment by Grantor of any of its property in fraud of creditors; the making or suffering by Grantor of a preference within the meaning of the federal bankruptcy law; the imposition of a lien through legal proceedings or distraint upon any of the Property which is not discharged or bonded in the manner permitted by Section 4.2 above; or Grantor's failure generally to pay its debts as such debts become due. The events of default in this paragraph shall apply and refer to Grantor and to each of the individuals or entities that are collectively referred to as "Grantor."

(e) Failure of Grantor to perform any other obligation under this Trust Deed within 30 days after receipt of written notice from Beneficiary specifying the nature of the default or, if the default cannot be cured within 30 days, failure within such time to commence and pursue curative action with reasonable diligence. No notice of default and no opportunity to cure shall be required if during the prior 12 months Beneficiary has already sent a notice to Grantor concerning default in performance of the same obligation.

(f) The occurrence of a default under the Other Security Instruments, or the Loan Agreement.

(g) Failure of Grantor to make any payment required by, or to perform any obligation under, the Prior Contract, or the commencement of a forfeiture or foreclosure under the Prior Contract.

## 15. RIGHTS AND REMEDIES ON DEFAULT

15.1 Remedies. Upon the occurrence of any event of default and at any time thereafter, Trustee or Beneficiary may exercise any one or more of the following rights and remedies:

(a) Beneficiary may declare the entire Indebtedness immediately due and payable.

(b) The Trustee shall have the right to foreclose by notice and sale, and Beneficiary shall have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law.



(c) If this Trust Deed is foreclosed by judicial procedure, Beneficiary will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may issue for any amount by which the unpaid balance of the obligations secured by this Trust Deed exceeds the net sale proceeds payable to Beneficiary.

(d) With respect to all or any part of the Property that constitutes personalty, Beneficiary shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

(e) Beneficiary shall have the right, without notice to Grantor, to take possession of the Property and collect the Income, including amounts past due and unpaid, and apply the net proceeds, over and above Beneficiary's costs, against the Indebtedness. In furtherance of this right, Beneficiary may require any tenant or other user to make payments of rent or use fees directly to Beneficiary. If the Income is collected by Beneficiary, then Grantor irrevocably designates Beneficiary as Grantor's attorney in fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Beneficiary in response to Beneficiary's demand shall satisfy the obligation for which the payments are made, whether or not any proper grounds for the demand existed. Beneficiary may exercise its rights under this paragraph either in person, by agent or through a receiver.

(f) Beneficiary shall have the right to have a receiver appointed to take possession of any or all of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, to collect the Income from the Property and apply the proceeds, over and above cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Beneficiary's right to the appointment of a receiver shall exist whether or not apparent value of the Property exceeds the Indebtedness by a substantial amount. Employment by Beneficiary shall not disqualify a person from serving as a receiver.

(g) In the event Grantor remains in possession of the Property after the Property is sold as provided above or Beneficiary otherwise becomes entitled to possession of the Property upon default of Grantor, Grantor shall become a tenant at will of Beneficiary or the purchaser of the Property and shall pay a reasonable rental for use of the Property while in Grantor's possession.

(h) Trustee and Beneficiary shall have any other right or remedy provided in this Trust Deed, the Note or any other instrument delivered by Grantor in connection therewith, or available at law, in equity or otherwise.

15.2 Rights of Receiver or Beneficiary-in-Possession. Upon taking possession of all or any part of the Property, the receiver or Beneficiary may:

(a) Use, operate, manage, control and conduct business on the Property and make expenditures for all maintenance and improvements as in its judgment are proper;

(b) Collect the Income from the Property and apply such sums to the expenses of use, operation, and management;

(c) At Beneficiary's option, complete any construction in progress on the Property, and in that connection pay bills, borrow funds, employ contractors and make any changes in plans or specifications as Beneficiary deems appropriate.

If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrow, from Beneficiary (if Beneficiary, in its sole discretion, agrees to lend) or otherwise, or Beneficiary may borrow or advance, such sums as the receiver or Beneficiary may deem necessary for the purposes stated in this paragraph. The amounts borrowed or advanced shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 16.4 below. Such sums shall become a part of the Indebtedness secured by this deed and shall be payable by Grantor on demand.

15.3 Sale of the Property. In exercising its rights and remedies, the Trustee or Beneficiary may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Beneficiary may bid at any public sale on all or any portion of the Property.

15.4 Notice of Sale. Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of any personal property or of the time after which any private sale or other intended disposition of the personal property is to be made. Reasonable notice shall mean notice given at least 10 days before the time of the sale or disposition.

15.5 Waiver; Election of Remedies. A waiver by either party of a breach of a provision of this Trust Deed shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Beneficiary under this Trust Deed are cumulative and not exclusive. An election to make expenditures or take action to perform an obligation of Grantor shall not affect Beneficiary's right to declare a default and exercise its remedies under this Trust Deed.

15.6 Attorneys' Fees; Expenses. In the event suit or action is instituted to enforce any of the terms of this Trust Deed, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law. Whether or not any court action is involved,



all reasonable expenses incurred by Beneficiary that are necessary at any time in Beneficiary's opinion for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Section 16.4 below. Expenses covered by this paragraph include (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions, title insurance, and fees for the Trustee.

16. MISCELLANEOUS

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

16.2 Binding Upon Successors and Assigns. Subject to the limitations stated in this deed on transfer of Grantor's interest and subject to the provisions of applicable law with respect to successor trustees, this Trust Deed shall be binding upon and inure to the benefit of the parties, their successors and assigns.

16.3 Security Agreement. In construing this Trust Deed, the term "Trust Deed" shall encompass the term "security agreement" when the instrument is being construed with respect to any personal property.

16.4 Expenditure by Beneficiary. If Grantor fails to comply with any provision of this Trust Deed, Beneficiary may elect to take the required action on Grantor's behalf, and any amount that Beneficiary expends in so doing shall be added to the Indebtedness. Amounts so added shall be payable on demand with interest from the date of expenditure at the rate of 18 percent per annum or at the rate the Note bears, whichever is higher, but not in any event at a rate higher than the maximum rate permitted by law. Such action by Beneficiary shall not constitute a cure or waiver of the default or any other right or remedy which Beneficiary may have on account of Grantor's default.

16.5 Notices. Any notice under this Trust Deed shall be in writing and shall be effective when either delivered in person or, if mailed, shall be deemed effective on the second day after deposited as registered or certified mail, postage prepaid, addressed to the parties at the following addresses:

If to Beneficiary:     Manager  
                                 Metropolitan Life Ins. Co.  
                                 Agricultural Investments  
                                 Northwest Branch Office  
                                 5445 DTC Parkway, Suite 920  
                                 Englewood, CO 80111

47535

With a copy to: Vice President - Agricultural Investments  
Metropolitan Life Ins. Co.  
8717 West 110th Street, Suite 700  
Overland Park, Kansas 66210

If to Grantor: J.R. Simplot, as Trustee of the J.R. Simplot Self-Declaration  
of Revocable Trust dated December 21, 1989  
Attn: Ronald M. Graves  
999 Main Street, Suite 1300  
PO Box 27  
Boise, Idaho 83707

With a copy to: Simplot Livestock Company  
HC 85, Box 275  
Grandview, Idaho 83642  
Attn: Mr. Thomas J. Basabe

Any party may change its address for notices by written notice to the other.

16.6 Invalid Provisions to Affect No Others. If any of the provisions contained in the Note or this Trust Deed shall be invalid, illegal or unenforceable in any respect, the validity of the remaining provisions in this Trust Deed and the Note shall not be affected.

16.7 Changes in Writing. This Trust Deed and any of its terms may only be changed, waived, discharged or terminated by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement subsequently made by Grantor or Beneficiary relating to this Trust Deed shall be superior to the rights of the holder of any intervening lien or encumbrance.

16.8 Applicable Law. The law of the State of Oregon shall be applicable for the purpose of construing and determining the validity of this Trust Deed and, to the fullest extent permitted by the law of any state in which any of the Property is located, determining the rights and remedies of Beneficiary on default.

16.9 Exhibits. The following exhibits are attached to this Trust Deed and incorporated herein by reference:

- Exhibit A-1 - Fee Lands
- Exhibit A-2 - Leased Lands
- Exhibit B [Intentionally Deleted]
- Exhibit C - Grazing Permits
- Exhibit D - Permitted Encumbrances



47536

16.10 Joint and Several Liability. If Grantor consists of more than one person or entity, the obligations imposed upon Grantor under this deed shall be joint and several.

16.11 Counterparts. This Trust Deed may be executed in any number of counterparts, and each and every counterpart shall be deemed to constitute for all purposes one (1) and the same agreement.

16.12 Joinder of Spouse. Esther Simplot joins in the execution of this Trust Deed for the purpose of encumbering her community property interest, if any, in the Property.

GRANTOR:

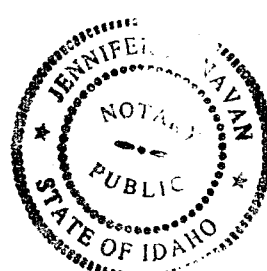
J.R. Simplot  
J.R. SIMPLOT, as Trustee of the J.R. Simplot Self Declaration  
of Revocable Trust dated December 21, 1989

Esther Simplot  
Esther Simplot

STATE OF Idaho )  
County of Ada ) ss.

This instrument was acknowledged before me on December 24, 1998, by J.R. Simplot, as Trustee of the J.R. Simplot Self Declaration of Revocable Trust dated December 21, 1989.

Jennifer Donovan  
Notary Public for Idaho  
My commission expires: May 31, 2002

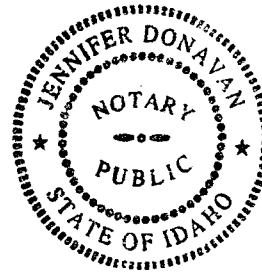


47537

STATE OF Idaho )  
County of Ada ) ss.

This instrument was acknowledged before me on December 24, 1998, by Esther Simplot.

Jennifer Donavan  
Notary Public for Idaho  
My commission expires: May 31, 2002





47538

EXHIBIT A-1 TO TRUST DEED

The following described lands in Lake County, Oregon:

PARCEL 1:

Township 34 South, Range 19 EWM:

Section 25:  $E\frac{1}{2}SE\frac{1}{4}$

Section 35: Lots 3 and 4

Section 36:  $S\frac{1}{2}$ ,  $S\frac{1}{2}NE\frac{1}{4}$ , Lots 4, 5 and 6

Township 35 South, Range 29, EWM:

Section 2: Lots 1, 2 and 3

PARCEL 2:

Township 34 South, Range 20 EWM:

Section 30:  $N\frac{1}{2}S\frac{1}{2}SW\frac{1}{4}NE\frac{1}{4}$ ,  $S\frac{1}{2}SW\frac{1}{4}SW\frac{1}{4}$ ,  $S\frac{1}{2}SE\frac{1}{4}SW\frac{1}{4}$ ,  
 $S\frac{1}{2}SW\frac{1}{4}SE\frac{1}{4}$ , West 416 feet of the  $S\frac{1}{2}S\frac{1}{2}SE\frac{1}{4}SE\frac{1}{4}$

Section 31:  $W\frac{1}{2}$ ,  $W\frac{1}{2}E\frac{1}{2}$ , West 416 feet of the  $E\frac{1}{2}E\frac{1}{2}$ .

47539

Exhibit A-2  
to Trust Deed

1. Lease dated August 4, 1995 between the Nature Conservancy, as Lessor, and J.R. Simplot Company, as Lessor, and subsequently assigned by J.R. Simplot Company to J.R. Simplot, as Trustee of the J.R. Simplot Self-Declaration of Revocable Trust dated December 21, 1989, covering the following described lands:

The following property situated in Lake County, Oregon:

Parcel No. 1:

Township 31 South, Range 13 East of the Willamette Meridian,

Section 23: E $\frac{1}{2}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$

Section 24: SW $\frac{1}{4}$ , Government Lots 3 and 4, W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 25: W $\frac{1}{2}$

Section 26: S $\frac{1}{2}$

Section 27: SE $\frac{1}{4}$

Section 34: NE $\frac{1}{4}$

Section 36: Government Lots 1 and 2, W $\frac{1}{2}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ , (Also being described as NE $\frac{1}{4}$ , W $\frac{1}{2}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$ )

Township 31 South, Range 14 East of the Willamette Meridian,

Section 20: S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 21: SW $\frac{1}{4}$ NW $\frac{1}{4}$

Section 28: NE $\frac{1}{4}$ NW $\frac{1}{4}$

Section 29: S $\frac{1}{2}$

Section 31: SE $\frac{1}{4}$

Section 32: All of Section

Section 33: SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$

Township 32 South, Range 13 East of the Willamette Meridian.

Section 1: Government Lots 1, 2, 5, 6 and 7, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$  (Also being described as NE $\frac{1}{4}$  and S $\frac{1}{2}$ )

Section 3: SE $\frac{1}{4}$

Section 4: Government Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$ , N $\frac{1}{2}$ SE $\frac{1}{4}$

Section 10: SE $\frac{1}{4}$

Section 11: All of Section

Section 12: All of Section

Section 13: All of Section

Section 14: All of Section

Section 15: All of Section

Section 22: N $\frac{1}{2}$ , SE $\frac{1}{4}$

Section 23: All of Section

Section 24: All of Section

Section 25: All of Section

Exhibit A-2

Page 1 of 18



Section 26: All of Section  
 Section 27: All of Section  
 Section 28: E $\frac{1}{2}$ NE $\frac{1}{4}$   
 Section 33: E $\frac{1}{2}$ E $\frac{1}{2}$   
 Section 34: All of Section  
 Section 35: NE $\frac{1}{4}$ , W $\frac{1}{2}$   
 Section 36: NW $\frac{1}{4}$

Township 32 South, Range 14 East of the Willamette Meridian,

Section 3: Government Lots 2, 3 and 4, SW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , SW $\frac{1}{4}$ , (Also being described as W $\frac{1}{2}$ NE $\frac{1}{4}$  and W $\frac{1}{2}$ )

Section 4: All of Section

Section 5: All of Section

Section 6: All of Section

Section 7: All of Section

Section 8: All of Section

Section 9: All of Section

Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$ , E $\frac{1}{2}$ SW $\frac{1}{4}$ , W $\frac{1}{2}$ SE $\frac{1}{4}$

Section 16: All of Section

Section 17: All of Section

Section 18: All of Section

Section 19: All of Section

Section 20: All of Section

Section 30: NE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , Government Lots 1, 2, 3 and 4, NE $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ , E $\frac{1}{2}$ NW $\frac{1}{4}$ , (Also being described as NE $\frac{1}{4}$ NE $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , NW $\frac{1}{4}$ , N $\frac{1}{2}$ SW $\frac{1}{4}$ , SW $\frac{1}{4}$ SW $\frac{1}{4}$ , NW $\frac{1}{4}$ SE $\frac{1}{4}$ )

The following property situated in Klamath County, Oregon:

NW $\frac{1}{4}$  and SW $\frac{1}{4}$ ; in Section 2; E $\frac{1}{2}$  and NW $\frac{1}{4}$ , in Section 3; SW $\frac{1}{4}$  in Section 4; E $\frac{1}{2}$  in Section 10; All in Township 33 South, Range 13 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

Together with all buildings and improvements, water and water rights, ditches and ditch rights, grazing and other rights appurtenant to the property, all mineral rights owned by the Grantors, and all easements and appurtenances belonging to the property.

2. The following Grazing Leases between U.S. Timberlands, Klamath Falls, as Lessor, and Simplot-ZX Ranch, as Lessee, and subsequently assigned by J.R. Simplot Company to J.R. Simplot, as Trustee of the J.R. Simplot Self-Declaration of Revocable Trust, covering lands in Lake and Klamath Counties Oregon:

Exhibit A-2

47541

(a) Grazing Lease dated March 1, 1998 (Currier Block) covering the following described lands:

Description (All Willamette Meridian)	Section	Acres
<u>Township 32 South, Range 15 East</u>		
SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$ ; NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	10	320.00
NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{4}$	11	600.00
W $\frac{1}{4}$	13	320.00
All	14	640.00
All	15	640.00
All	16	640.00
All	21	640.00
All	22	640.00
All	23	640.00
W $\frac{1}{4}$	24	320.00
W $\frac{1}{4}$	25	320.00
All	26	640.00
All	27	640.00
NE $\frac{1}{4}$ ; S $\frac{1}{4}$	28	480.00
NE $\frac{1}{4}$	33	160.00
All	34	640.00
All	35	640.00
W $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	36	440.00
<u>Township 33 South, Range 15 East</u>		
All	1	636.30
All Fractional	2	635.16
All Fractional	3	635.78
All Fractional	4	636.27

Exhibit A-2



All		47542
All	9	640.00
All	10	640.00
All	11	640.00
All	12	640.00
N $\frac{1}{2}$ N $\frac{1}{2}$	13	160.00

Containing 9,360.00 acres, more or less in Lake County, Oregon; and 5,263.51 acres, more or less in Klamath County, Oregon - making a total of 14,623.51 acres.

- (b) Grazing Lease dated March 1, 1998 (Foster Butte Block) covering the following described lands:

Description (All Willamette Meridian)	Section	Acres
<u>Township 29 South, Range 13 East</u>		
All	36	640.00
<u>Township 30 South, Range 14 East</u>		
Fraction N $\frac{1}{4}$	1	320.42
SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{2}$ SE $\frac{1}{4}$	11	120.00
S $\frac{1}{2}$ S $\frac{1}{4}$	12	160.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	13	80.00
NE $\frac{1}{4}$ NE $\frac{1}{4}$	14	40.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	24	80.00
SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; E $\frac{1}{2}$ NW $\frac{1}{4}$	25	120.00
All	36	640.00
<u>Township 31 South, Range 14 East</u>		
NE $\frac{1}{4}$ NE $\frac{1}{4}$	35	40.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; NE $\frac{1}{4}$ SE $\frac{1}{4}$ ; S $\frac{1}{2}$ SE $\frac{1}{4}$	36	280.00
<u>Township 32 South, Range 14 East</u>		
SW $\frac{1}{4}$ SW $\frac{1}{4}$	27	40.00
NE $\frac{1}{4}$ ; Fr. W $\frac{1}{2}$ NW $\frac{1}{4}$	31	241.20
N $\frac{1}{2}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ NW $\frac{1}{4}$	33	120.00
<u>Township 32 South, Range 14 East</u>		
N $\frac{1}{2}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; Fr. N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ NW $\frac{1}{4}$	30	239.50

Exhibit A-2

47543

Township 29 South, Range 15 East

Fr. NW¼; FR. SE¼

31 480.80

Township 30 South, Range 15 East

Fr. N¼; SE¼

5 463.20

All Fractional

6 619.92

NE¼; E½NW¼; Fr. SW¼; NW¼SE¼; S¼SE¼

7 509.65

NW¼

8 160.00

W¼NE¼; N¼NW¼; SE¼NW¼; NE¼SW¼; S¼SW¼; SE¼

10 480.00

NW¼NE¼; S¼NE¼; NW¼; S¼

11 600.00

S¼

12 320.00

All

13 640.00

All

14 640.00

All

15 640.00

All Fractional

16 640.00

W¼; SE¼SE¼

17 360.00

E¼

18 320.00

SE¼

19 160.00

N¼NE¼; SW¼NE¼; W¼

20 440.00

N¼NE¼; SW¼NE¼; W¼

20 440.00

NE¼

21 160.00

NE¼NE¼; NW¼; SW¼SE¼

22 240.00

All

23 640.00

All

24 640.00

N¼; NW¼SW¼; SE¼

25 520.00

N¼; NW¼SW¼

26 360.00

NE¼; E½NW¼; NE¼SW¼; N¼SE¼; SE¼SE¼

27 400.00

SW¼NW¼

28 40.00

N¼NE¼; SE¼NE¼

29 120.00

E¼

30 320.00

NE¼; Fr. S¼

31 468.54

SW¼; S¼SE¼

33 240.00

S¼

34 320.00

SW¼

35 160.00

All

36 640.00

Exhibit A-2  
Page 5 of 18



47544

Description (All Willamette Meridian)

Section

Acres

Township 31 South, Range 15 East

All Fractional	3	678.29
Fr. N $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	4	647.20
Fr. NE $\frac{1}{4}$ ; Fr. N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{2}$	5	655.90
Fr. N $\frac{1}{2}$ ; SE $\frac{1}{4}$	6	513.80
Fr. N $\frac{1}{4}$ ; Fr. N $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$	7	394.19
N $\frac{1}{4}$	8	320.00
W $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; N $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	9	480.00
N $\frac{1}{4}$ NE $\frac{1}{4}$ ; SW $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{4}$	10	440.00
E $\frac{1}{4}$	11	320.00
All	12	640.00
All	13	640.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$	15	40.00
NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{2}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; W $\frac{1}{4}$ SE $\frac{1}{4}$	16	400.00
N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$	22	200.00
All	23	640.00
N $\frac{1}{4}$ ; SW $\frac{1}{4}$ SW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SE $\frac{1}{4}$	24	365.63
NW $\frac{1}{4}$	25	160.00
N $\frac{1}{2}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$	26	560.00
All	27	640.00
SE $\frac{1}{4}$	28	160.00
NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	33	360.00
All	34	640.00
W $\frac{1}{4}$ NW $\frac{1}{4}$	35	80.00
SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ SE $\frac{1}{4}$	36	120.00

47545

Description (All Willamette Meridian)	Section	Acres
---------------------------------------	---------	-------

Township 32 South, Range 15 East

Lot 2; Fr. NW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SW $\frac{1}{4}$	3	250.28
Fr. NE $\frac{1}{4}$ ; Lot 3; S $\frac{1}{4}$ NW $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$	4	529.24
N $\frac{1}{4}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ SE $\frac{1}{4}$	8	82.39
NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SW $\frac{1}{4}$	9	240.00

Township 29 South, Range 16 East

S $\frac{1}{4}$	33	320.00
SW $\frac{1}{4}$	34	160.00

Township 30 South, Range 16 East

All Fractional	4	634.78
NE $\frac{1}{4}$ SE $\frac{1}{4}$	6	40.00
All Fractional	7	639.20
N $\frac{1}{4}$ ; SW $\frac{1}{4}$	8	480.00
N $\frac{1}{4}$ NW $\frac{1}{4}$	10	80.00
All	16	640.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; S $\frac{1}{4}$ NE $\frac{1}{4}$ ; NW $\frac{1}{4}$	17	280.00
All Fractional	18	638.04
All Fractional	19	641.30
NW $\frac{1}{4}$ ; N $\frac{1}{4}$ SW $\frac{1}{4}$ ; SW $\frac{1}{4}$ SW $\frac{1}{4}$	20	280.00

Containing 31,934.47 acres, more or less in Lake County, Oregon.



47546

- (c) Grazing Lease dated March 1, 1998 (Camp 6 Block) covering the following described lands:

Description (All Willamette Meridian)	Section	Acres
<u>Township 33 South, Range 14 East</u>		
SW $\frac{1}{4}$ SE $\frac{1}{4}$		
All	24	40.00
NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	25	640.00
SE $\frac{1}{4}$ SE $\frac{1}{4}$	26	280.00
All Fractional	27	40.00
All Fractional	34	634.17
All Fractional	35	636.52
	36	638.84
<u>Township 34 South, Range 14 East</u>		
All Fractional		
All Fractional	1	643.20
All Fractional	2	647.04
Fr. E $\frac{1}{4}$	3	647.72
E $\frac{1}{4}$	4	323.90
All	9	320.00
All	10	640.00
All	11	640.00
All	12	640.00
All	13	640.00
All	14	640.00
NE $\frac{1}{4}$ ; N $\frac{1}{2}$ NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ NW $\frac{1}{4}$ ; NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	15	640.00
SE $\frac{1}{4}$ SE $\frac{1}{4}$	16	480.00
	20	40.00

47547

All	22	640.00
All	23	640.00
All	24	640.00
All	25	640.00
All	26	640.00
All	27	640.00
All	28	640.00
NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	29	440.00
Fr. W $\frac{1}{4}$ NW $\frac{1}{4}$ Less 60 Foot Wide Strip; SE $\frac{1}{4}$ NW $\frac{1}{4}$ ; Fr. N $\frac{1}{4}$ SW $\frac{1}{4}$ Less 60 Foot Wide Strip; Lot 4; SE $\frac{1}{4}$ SW $\frac{1}{4}$ Less 60 Foot Wide Strip; SE $\frac{1}{4}$ SE $\frac{1}{4}$	30	309.78
NENE $\frac{1}{4}$ Less 60 Foot Wide Strip; S $\frac{1}{4}$ NE $\frac{1}{4}$ ; NE $\frac{1}{4}$ NW $\frac{1}{4}$ Less 60 Foot Wide Strip; Lot 1; Fr. S $\frac{1}{4}$ NW $\frac{1}{4}$ Less 60 Foot Wide Strip; NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; Fr. W $\frac{1}{4}$ SW $\frac{1}{4}$ Less 60 Foot Wide Strip; SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$ ;	31	628.78
All	32	640.00
All	33	640.00
All	34	640.00
<u>Township 35 South, Range 14 East</u>		
All Fractional	1	639.24
All Fractional	2	639.24
All Fractional	3	637.10
Fr. N $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	4	597.10
Fr. N $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$	5	560.00
All Fractional	6	635.11
NE $\frac{1}{4}$ NW $\frac{1}{4}$ ; Fr. S $\frac{1}{4}$ NW $\frac{1}{4}$ ; Lot 3	7	156.00
S $\frac{1}{4}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	8	280.00
All	9	640.00
All	10	640.00
All	11	640.00
All	12	640.00
All		

Exhibit A-2  
Page 9 of 18



47548

NE¼; NW¼NW¼; S¼NW¼; S¼	13	640.00
N¼; E¼SW¼; SE¼	14	600.00
N¼; SW¼; NW¼SE¼	15	560.00
NE¼; E¼W¼; SE¼	16	520.00
N¼; E¼SW¼; SE¼	17	480.00
All	23	560.00
NW¼NE¼	24	640.00
<u>Township 33 South, Range 15 East</u>	26	40.00
Fr. S¼	19	245.29
SW¼NE¼; W¼; NW¼SE¼	27	400.00
All	28	640.00
All	29	640.00
All Fractional	30	640.00
All Fractional	31	490.02
All	32	490.02
All	33	640.00
W¼	34	640.00
<u>Township 34 South, Range 15 East</u>		320.00
Fr. W¼; SW¼SE¼	5	360.11
All Fractional	6	502.12
Lot 1; NE¼; Lots 2, 3 & 4; SE¼	7	512.00
W¼; W¼SE¼	8	400.00
N¼NW¼	17	80.00
All Fractional	18	523.20
All Fractional	19	534.72
S¼S¼	29	160.00
All Fractional	30	541.21
All Fractional	31	546.20
All	32	640.00
W¼; S¼SE¼	33	400.00

Township 35 South, Range 15 East

47549

All Fractional	3	636.51
All Fractional	4	635.56
All Fractional	5	635.56
All Fractional	6	549.77
All	7	558.10
All	8	640.00
N $\frac{1}{4}$ ; SW $\frac{1}{4}$ ; N $\frac{1}{4}$ SE $\frac{1}{4}$ ; SW $\frac{1}{4}$ SE $\frac{1}{4}$	9	640.00
NW $\frac{1}{4}$ ; NW $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ S $\frac{1}{4}$	10	600.00
SW $\frac{1}{4}$ SW $\frac{1}{4}$	11	360.00
All	13	40.00
All	14	640.00
All	15	640.00
All	16	640.00
All Fractional	17	640.00
All Fractional	18	560.48
All	19	565.31
N $\frac{1}{4}$ ; NW $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	20	640.00
All	21	600.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{4}$	22	640.00
NW $\frac{1}{4}$ NE $\frac{1}{4}$ ; W $\frac{1}{4}$ ; W $\frac{1}{4}$ SE $\frac{1}{4}$	23	360.00
All	26	440.00
All	27	640.00
N $\frac{1}{4}$ NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ NE $\frac{1}{4}$ ; N $\frac{1}{4}$ NW $\frac{1}{4}$ ; N $\frac{1}{4}$ S $\frac{1}{4}$ NW $\frac{1}{4}$ ; S $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; S $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	28	640.00
	29	500.00
All Fractional		
NW $\frac{1}{4}$ ; Fr. W $\frac{1}{4}$ SW $\frac{1}{4}$ ; Lot 3	34	612.48
	35	270.33

Containing 52,402.73 acres, more or less in Klamath County, Oregon.



47550

- (d) Grazing Lease dated March 1, 1998 (Longbell Block) covering the following described lands:

Description	Section	Acres
<u>Township 32 South, Range 11 East, W.M.</u>		
That portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ south of road 440-10; that portion of the SW $\frac{1}{4}$ SE $\frac{1}{4}$ east of road 440-11; that portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ south of road 440-10 NE $\frac{1}{4}$ NE $\frac{1}{4}$ ; that portion of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ east of road 440-11; that portion of the SE $\frac{1}{4}$ NE $\frac{1}{4}$ east of road 440-11; those portions of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and the SE $\frac{1}{4}$ SE $\frac{1}{4}$ east of road 440-22	13       24	49.09       137.76
<u>Township 31 South, Range 12 East, W.M.</u>		
NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ ; those portions of the NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ east of Booth Ridge	7	383.10
A11	8	640.00
A11	9	640.00
A11	10	640.00
A11	11	640.00
A11	12	640.00
A11	13	640.00
A11	14	640.00
A11	15	640.00
A11	16	640.00
A11	17	640.00
Those portions of the NE $\frac{1}{4}$ , NW $\frac{1}{4}$ and the SE $\frac{1}{4}$ east of Booth Ridge	18	302.66
Those portions of the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ east of Booth Ridge	19	120.37
A11	20	640.00
A11	21	640.00
A11	22	640.00
A11	23	640.00
A11	24	640.00
A11	25	640.00
A11	26	640.00
A11	27	640.00
A11	28	640.00
A11	29	640.00
Those portions of the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ east of Booth Ridge	30	35.30
That portion of the NE $\frac{1}{4}$ east of Booth Ridge	31	41.49
NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ ; that portion of the SW $\frac{1}{4}$ east of Booth Ridge	32	584.10
A11	33	640.00
A11	34	640.00
A11	35	640.00
A11	36	640.00

47551

Description	Section	Acres
<u>Township 32 South, Range 12 East, W.M.</u>		
All Fractional	1	642.82
All Fractional	2	645.06
All Fractional	3	644.20
NE $\frac{1}{4}$ ; NW $\frac{1}{4}$ ; SE $\frac{1}{4}$ ; N $\frac{1}{2}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$ SW $\frac{1}{4}$ ; that portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ north and east of road 430-00	4	624.32
That portion of the NE $\frac{1}{4}$ and the SE $\frac{1}{4}$ east of Booth Ridge	5	169.77
<u>Township 32 South, Range 12 East, W.M. Continued</u>		
That portion of the SE $\frac{1}{4}$ SE $\frac{1}{4}$ south of road 420-00 and east of road 440-00	7	19.31
Those portions of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$ south of road 420-00	8	197.61
That portion of the NW $\frac{1}{4}$ east of road 420-00; NE $\frac{1}{4}$ ; S $\frac{1}{4}$	9	598.45
All	10	640.00
All	11	640.00
All	12	640.00
All	13	640.00
All	14	640.00
All	15	640.00
All	16	640.00
All	17	640.00
That portion of the NE $\frac{1}{4}$ east of road 440-00 and south of road 440-10; that portion of the SW $\frac{1}{4}$ east and south of road 440-10; SE $\frac{1}{4}$	18	329.04
All fractional	19	633.04
All	20	640.00
All	21	640.00
All	22	640.00
All	23	640.00
All	24	640.00
All	25	640.00
All	26	640.00
All	27	640.00
All	28	640.00
All	29	640.00
NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ ; that portion of the NW $\frac{1}{4}$ east of road 440-22; that portion of the SW $\frac{1}{4}$ east of road 440-00	30	503.84
NE $\frac{1}{4}$ ; SE $\frac{1}{4}$ ; those portions of the NW $\frac{1}{4}$ and the SW $\frac{1}{4}$ east of road 440-00	31	535.49
All	32	640.00
All	33	640.00
All	34	640.00
All	35	640.00
All	36	640.00



47552

Description	Section	Acres
<u>Township 31 South, Range 13 East, W.M.</u>		
All Fractional	5	633.04
All Fractional	6	618.24
All Fractional	7	624.54
All	8	640.00
All	17	640.00
All Fractional	18	625.44
All Fractional	19	625.80
All	20	640.00
All	29	640.00
All Fractional	30	625.96
All Fractional	31	627.42
All	32	640.00
<u>Township 32 South, Range 13 East, W.M.</u>		
All Fractional	5	644.28
All Fractional	6	639.16
All Fractional	7	635.00
<u>Township 32 South, Range 13 East, W.M. Continued</u>		
All	8	640.00
All	17	640.00
All Fractional	18	634.06
All Fractional	19	632.60
All	20	640.00

Being a total of 49,779.47 acres, more or less, in Lake County, Oregon; and  
 186.85 acres, more or less, in Klamath County, Oregon - making a grand total  
 of 49,966.32 acres, more or less.

47553

Description (All Willamette Meridian)	Section	Acres
<u>Township 31 South, Range 11 East</u>		
S $\frac{1}{2}$	3	320.00
All Fractional	4	594.12
All Fractional	5	593.48
Fr. E $\frac{1}{2}$	6	296.13
D $\frac{1}{2}$ NE $\frac{1}{2}$	7	80.00
N $\frac{1}{2}$ ; NE $\frac{1}{4}$ SW $\frac{1}{4}$ ; SE $\frac{1}{4}$	8	520.00
All	9	640.00
All	10	640.00
All	11	640.00
All	12	640.00
All	13	640.00
All	14	640.00
All	15	640.00
All	16	640.00
E $\frac{1}{2}$	17	320.00
NE $\frac{1}{2}$ ; E $\frac{1}{4}$ SE $\frac{1}{4}$	20	240.00
All	21	640.00
All	22	640.00
All	23	640.00
All	24	640.00
All	25	640.00
	26	640.00



47554

Description (All Willamette Meridian)	Section	Acres
All		
All	27	640.00
All	28	640.00
E $\frac{1}{2}$ E $\frac{1}{2}$	29	160.00
E $\frac{1}{2}$ E $\frac{1}{2}$	32	160.00
All	33	640.00
<u>Township 31 South, Range 11 East</u>		
All	34	640.00
All	35	640.00
All	36	640.00
<u>Township 31 South, Range 12 East</u>		
Those portions of the NE $\frac{1}{4}$ & SW $\frac{1}{4}$ West of Booth Ridge	7	253.46
W $\frac{1}{2}$ ; those portions of the NE $\frac{1}{4}$ & the SE $\frac{1}{4}$ West of Booth Ridge	18	333.06
W $\frac{1}{2}$ ; those portions of the NE $\frac{1}{4}$ & the SE $\frac{1}{4}$ West of Booth Ridge	19	516.83
W $\frac{1}{2}$ ; those portions of the NE $\frac{1}{4}$ & the SE $\frac{1}{4}$ West of Booth Ridge	30	602.30
W $\frac{1}{2}$ ; SE $\frac{1}{4}$ & that portion of the NE $\frac{1}{4}$ West of Booth Ridge	31	597.07
That portion of the SW $\frac{1}{4}$ West of Booth Ridge	32	55.90
<u>Township 32 South, Range 11 East</u>		
All Fr.	1	645.64
All Fr.	2	643.72
All Fr.	3	643.56
All Fr.	4	639.68
Fr. E $\frac{1}{2}$ E $\frac{1}{2}$	5	158.23

47555

Description (All Willamette Meridian)	Section	Acres
E <sub>1</sub> E <sub>2</sub>	8	160.00
All	9	640.00
All	10	640.00
All	11	640.00
All	12	640.00
N <sub>1</sub> ; SW <sub>1</sub> & that portion of SE <sub>1</sub> North of Road 440-10 & West of Rd 440-11	13	590.91
All	14	640.00
All	15	640.00
All	16	640.00
E <sub>1</sub> E <sub>2</sub>	17	160.00

Township 32 South, Range 11 East

E <sub>1</sub> E <sub>2</sub>	20	160.00
All	21	640.00
All	22	640.00
All	23	640.00
W <sub>1</sub> ; & that portion of E <sub>1</sub> West of Rd 440-11	24	502.24
All	25	640.00
All	26	640.00
All	27	640.00
All	28	640.00



47556

Description (All Willamette Meridian)	Section	Acres
All	33	640.00
All	34	640.00
All	35	640.00
All	36	640.00
<u>Township 32 South, Range 12 East</u>		
That portion of the SW $\frac{1}{4}$ SW $\frac{1}{4}$ South and West of Road 430-00	4	18.31
W $\frac{1}{2}$ & that portion of E $\frac{1}{2}$ West of Booth Ridge	5	474.71
All Fr.	6	638.42
N $\frac{1}{2}$ ; SW $\frac{1}{4}$ ; those portions SE $\frac{1}{4}$ ; North of Road 420-00	7	615.41
N $\frac{1}{2}$ ; those portions of SW $\frac{1}{4}$ & the SE $\frac{1}{4}$ North of Road 420-00	8	442.39
That portion of the NW $\frac{1}{4}$ West of Road 420-00	9	41.55
NW $\frac{1}{4}$ ; those portions of the NE $\frac{1}{4}$ and the SW $\frac{1}{4}$ West of Road 440-00 & North of Road 440-10	18	305.12
That portion of W $\frac{1}{2}$ West of Road 440-00	30	130.00
That portion of W $\frac{1}{2}$ West of Road 440-00	31	95.43

Being a total of 31,907.91 acres, more or less, in Klamath County, Oregon,  
and a total of 5,119.96 acres, more or less, in Lake County, Oregon; for  
a grand total of 37,027.87 acres, more or less.

47557

EXHIBIT C

Grazing Permits

BLM Allotment No. X 10427 (Lower Marsh) (2,720 AUMS)



## EXHIBIT D TO TRUST DEED

## PERMITTED ENCUMBRANCES

1. Special assessment as farm land tax deferral in Deed recorded in Volume 123, page 416 Deed Records of Lake County, Oregon.

2. Oil, Gas and Mineral Lease, including the terms and provisions thereof, from Lake County, a municipal corporation and political subdivision of the State of Oregon to Humble Oil & Refining Company, a corporation, dated September 2, 1959, recorded February 10, 1960, in volume 127 page 60, Deed records of Lake County, Oregon.

Modification of Oil, Gas and Mineral Lease, including the terms and provisions thereof, dated October 7, 1959, recorded February 26, 1960 in Volume 127 page 586, Deed records of Lake County, Oregon.

Modification of Oil, Gas and Mineral Lease, including the terms and provisions thereof, dated November 21, 1960, recorded December 9, 1960, in Volume 131 page 157, Deed records of Lake County, Oregon.

Modification of Oil, Gas and Mineral Lease, including the terms and provisions thereof, dated November 21, 1960, recorded March 3, 1961, in Volume 132 page 31, Deed records of Lake County, Oregon.

3. Oil, Gas and Mineral Lease, including the terms and provisions thereof from Paul J. Brattain, Jr. and Dulcie Brattain, husband and wife, Maude Loose, a single woman, Thomas J. Brattain and Ruth Brattain, husband and wife, Angela Brattain Stafford and Paul J. Stafford, wife and husband to Humble Oil & Refining Company, a corporation, dated October 15, 1959, recorded December 5, 1960, in Volume 131 page 14, Deed records of Lake County, Oregon.

4. Oil, Gas and Mineral Lease, including the terms and provisions thereof, executed by Lake County, a municipal corporation and political subdivision of the State of Oregon to Humble Oil & Refining Company, a corporation, dated December 7, 1960, recorded December 9, 1960, in Volume 131 page 197, Deed Records of Lake County, Oregon.

5. Oil, Gas and Mineral Lease, including the terms and provisions thereof, from Paul J. Brattain, Jr. and Dulcie Brattain, husband and wife, to Humble Oil & Refining Company, a corporation, dated October 1, 1959, recorded February 24, 1961, in Volume 131 page 628, Deed Records of Lake County, Oregon.

47559

6. Oil, Gas and Mineral Lease, including the terms and provisions thereof, executed by Lake County, a municipal corporation and political subdivision of the State of Oregon to Humble Oil & Refining Company, a corporation, dated December 7, 1960, recorded March 21, 1961, in Volume 132 page 456, Deed Records of Lake County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title & Escrow the 29th day  
of December A.D., 19 98 at 3:17 o'clock P. M., and duly recorded in Vol. M98  
of Mortgages on Page 47520.

FEE

\$205.00

Return: Katherine King  
J.R. Simplot Co.  
P.O. Box 27  
Boise, Idaho

By Kathleen Ross Bernetha G. Letsch, County Clerk