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TRUST DEED

Vol M99 Page 35469



Larry Olson

700 Port Avenue

St. Helens, OR 97051

Grantor's Name and Address

Wasser & Winters Company

P. O. Box 396

Longview, WA 98632

Beneficiary's Name and Address

After recording, return to (Name, Address, Zip):

William L. Dowell

P. O. Box 1057

Longview, WA 98632

AMERITITLE, has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

MTC 1396-44479

THIS TRUST DEED, made on August 27, 1999, between LARRY OLSON, a married man acting in his separate property capacity, as Grantor, KEY TITLE COMPANY as Trustee, and WASSER & WINTERS COMPANY, a Washington corporation as Beneficiary,

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

See attached descriptions

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to or used in connection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Six Million Five Hundred Thousand and no/100 (6,500,000.00)

Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final

payment of principal and interest, if not sooner paid, to be due and payable in pursuant to the terms of the Promissory Note.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property, or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option*, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair, not to remove or demolish any building or improvement thereon, and not to commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require, and to pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and other hazards,

as the beneficiary may from time to time require, in an amount not less than \$_____, written by one or more companies acceptable to the beneficiary, with loss payable to the latter. All policies of insurance shall be delivered to the beneficiary as soon as issued. If the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the property before any part of such taxes, assessments and other charges becomes past due or delinquent and promptly deliver receipts therefor to beneficiary. Should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof. For such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described. All such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust, including the cost of title search, as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation, and trustee and attorney fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees. The amount of attorney fees mentioned in this paragraph in all cases shall be fixed by the trial court, and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking which are in excess of the amount required to pay all reasonable costs, expenses and attorney fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby. Grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation promptly upon beneficiary's request.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

*WARNING: 12 USC 1701j-3 regulates and may prohibit exercise of this option.

**The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.

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9. At any time, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; or (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder, or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event, the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753 may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed, together with trustee and attorney fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels of land to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenants or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person claiming the interest but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligations secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority, and (4) the surplus, if any, to the grantor or to any successor in interest entitled to such surplus.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. In any such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties contained herein and trustee herein named or appointed hereunder. Each such appointment and substitutions shall be made by a written instrument executed by the beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to accept any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party, unless such action or proceeding is brought by trustee.

The grantor covenants to and agrees with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized of the whole of the real property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto, and that the grantor will warrant and defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):

(a) primarily for grantor's personal, family or household purposes (see Important Notice below).

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first written above.

***IMPORTANT NOTICE:** Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures. For this purpose use Stevens-Ness Form No. 1319, or the equivalent. If compliance with the Act is not required, disregard this notice.

WASHINGTON
STATE OF WASHINGTON, County of Cowlitz

This instrument was acknowledged before me on August 27, 1999

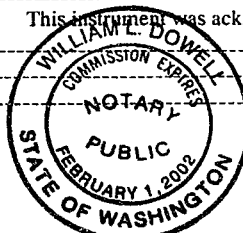
by LARRY OLSON

This instrument was acknowledged before me on

by WILLIAM L. DOWELL

as

of



Notary Public for Cowlitz, Washington

My commission expires 02/01/02

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same. Mail the reconveyance and documents to _____

DATED _____

Do not lose or destroy this Trust Deed OR THE NOTE which it secures.

Both should be delivered to the trustee for cancellation before reconveyance is made.

Beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

35471

PARCEL 1:

Section 20 - SE1/4 SE1/4, EXCEPTING THEREFROM that portion within Ivory Pines Road
Section 21 - SW1/4 SW1/4
Section 28 - NW1/4, EXCEPTING THEREFROM that portion within Ivory Pines Road
Section 33 - NW1/4, EXCEPTING THEREFROM that portion within Ivory Pines Road

All being in Township 35 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 2:

Section 20 - E1/2 SW1/4 SE1/4, S1/2 SE1/4 SE1/4
Section 28 - N1/2, N1/2 SW1/4, N1/2 S1/2 SW1/4, W1/2 E1/2 NW1/4 SE1/4, W1/2 NW1/4 SE1/4,
NW1/4 SW1/4 SE1/4, EXCEPTING THEREFROM that portion lying within Ivory Pine Road
Section 29 - NE1/4, NE1/4 NW1/4, E1/2 NW1/4 NW1/4, E1/2 SW1/4 NW1/4, SE1/4 NW1/4, SW1/4
Section 31 - E1/2 NE1/4, EXCEPTING THEREFROM that portion lying within Ivory Pine Road
Section 32 - SW1/4

All being in Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 3:

Section 5 - S1/2 SE1/4
Section 8 - N1/2 NE1/4

All being in Township 35 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 4:

Section 23 - SE1/4 NE1/4, NW1/4, SW1/4, E1/2 SE1/4
Section 26 - NE1/4 NE1/4
Section 27 - SE1/4 NE1/4, NE1/4 SW1/4, N1/2 SE1/4
Section 35 - W1/2 NE1/4, E1/2 NW1/4

All being in Township 37 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 5:

Section 25 - SW1/4 SW1/4
Section 36 - NE1/4, N1/2 NW1/4

All being in Township 36 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 6:

Section 19 - SE1/4

All being in Township 37 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 7:

Section 25 - SE1/4 NE1/4

All being in Township 40 South, Range 15 East of the Willamette Meridian, Klamath County, Oregon.

PARCEL 8:

Section 19 - NE1/4SW1/4, SE1/4SW1/4, Government Lot 4, SW1/4SE1/4, EXCEPTING THEREFROM
railroad right of way commonly known as the Weyerhaeuser Company Woods Line Railroad.
All being in Township 33 South, Range 14 East of the Willamette Meridian, Klamath

EXHIBIT A

PAGE 1 OF 10

Exhibit "A"

PARCEL 9:

Section 18- NE1/4, E1/2NW1/4, W1/2SE1/4, NE1/4SW1/4, Government Lots 1, 2, and 3.
All being in Township 39 South, Range 6 East of the Willamette Meridian, Klamath
County, Oregon.

PARCEL 10:

Section 24- S1/2S1/2, EXCEPTING THEREFROM that portion within Keno Access Road.
All being in Township 38 South, Range 5 East of the Willamette meridian, Klamath
County, Oregon.

PARCEL 11:

Section 2- Government Lots 1, 2, 3 & 4, SW1/4NE1/4, SE1/4NW1/4, E1/2SW1/4

Section 4- S1/2NE1/4, SE1/4NW1/4 EXCEPTING THEREFROM that portion within Clover Creek Rd.

Section 10- N1/2E1/2SW1/4, SE1/4

Section 12- NE1/4, EXCEPTING THEREFROM that portion within Clover Creek Road.

Section 16- all

Section 22- All, EXCEPTING THEREFROM that portion within Keno access road.

Section 26- Government Lots 1 and 2, S1/2NE1/4

All being in Township 38 South, Range 5 East of the Willamette Meridian, Klamath
County, Oregon.

SUBJECT TO:

1. The premises herein described are within and subject to the statutory powers, including the power of assessment and easements of Klamath Lake Grazing.
2. The premises herein are within and subject to the statutory powers, including the power of assessment of Klamath Lake Timber.
3. The assessment roll and the tax roll disclose that the premises herein described were specially assessed as Potential Forest Land. If the land becomes disqualified for the special assessment under the statute, an additional tax may be levied.
4. Rights of the public and of governmental bodies in and to that portion of the premises described herein, now or at any time lying below the high water mark of the unnamed creeks, including any ownership rights which may be claimed by the State of Oregon, in and to any portion of the premises now or at any time lying below the ordinary high water mark thereof.
5. Ancestral rights, if any, of descendants of aboriginal inhabitants to occupy, use and possess any portion of the premises, as reserved by treaties, understandings, practice, statutes, or judicial decisions; for food gathering, shelter, religious ceremonies, social and economic gatherings, battlefields and burial sites.
6. Rights of the public in and to any portion of said property lying within the limits of public roads, all railroad rights, all unrecorded rights of way and easements, and any discrepancies or conflicts in boundary lines or shortages in area or encroachments, which a correct survey or an inspection of the herein granted premises would disclose.
7. Reservation of all subsurface rights, excepting water, as disclosed in Deed to Restricted Indian Land;
 Dated: September 13, 1955
 Recorded: December 7, 1955
 Volume: 279, page 453, Deed Records of Klamath County, Oregon
 Grantor: Kate Villard John
 Grantee: Weyerhaeuser Timber Company
 Affects: SE1/4 SE14/ Section 20, Township 35 South, Range 12 East; SW1/4 SW1/4 Section 21, Township 35 South, Range 12 East; W1/2 NW1/4 Section 28, Township 35 South, Range 12 East
8. Subject to any unrecorded leases, permits, tenancies, if any.
9. Reservations of Mineral Rights as set forth in deed, subject to the terms and provisions thereof, from The Long-Bell Lumber Company to Weyerhaeuser Timber Company, recorded December 30, 1927 in Book 79, page 282, Deed Records of Klamath County, Oregon.
 Statement of Claim, subject to the terms and provisions thereof;
 Recorded: August 5, 1986
 Volume: M86, page 13766, Microfilm Records of Klamath County, Oregon
 (Affects Section 22, Township 38 South, Range 5 East)
10. Reservation of all oil, gas and minerals, as disclosed in Deed to Restricted Indian Land;
 Dated: December 15, 1955
 Recorded: May 14, 1956
 Volume: 283, page 137, AF #10057, Deed Records of Klamath County, Oregon
 Grantor: George A. DuFault
 Grantee: Weyerhaeuser Timber Company
 Affects: NW1/4 Section 33, Township 35 South, Range 12 East
11. Reservation of all subsurface rights, excepting water, as disclosed in Patent,
 Dated: February 29, 1956
 Recorded: May 14, 1956
 Volume: 283, page 147, AF #10062, Deed Records of Klamath County, Oregon
 Grantor: U.S. Bureau of Land Management
 Grantee: Weyerhaeuser Timber Company
 Affects: S1/2 SE1/4 Section 20, Township 35 South, Range 13 East; NE1/4 Section 29, Township 35 South, Range 13 East

12. Reservation of all oil and gas, and mineral rights, as disclosed in Deed to Restricted Indian Land,
 Dated: April 13, 1956
 Recorded: May 24, 1956
 Volume: 283, page 347, AF #10364, Deed Records of Klamath County, Oregon
 Grantor: Frances Ella Eilson Ball, et vir
 Grantee: Weyerhaeuser Timber Company
 Affects: SW1/4 Section 29, Township 35 South, Range 13 East

13. Reservation of all subsurface rights, except water, as disclosed in Deed to Restricted Indian Land;
 Dated: November 28, 1956
 Recorded: January 21, 1957
 Volume: 289, page 213, Deed Records of Klamath County, Oregon
 Grantor: Clarice George Lotches, et vir
 Grantee: Weyerhaeuser Timber Company
 Affects: SW1/4 Section 32, Township 35 South, Range 13 East

14. Reservation of all subsurface rights, except water, as disclosed in Warranty Deed,
 Dated: February 18, 1957
 Recorded: February 21, 1957
 Volume: 290, page 94, Deed Records of Klamath County, Oregon
 Grantor: R.A. Briggs, et al
 Grantee: Weyerhaeuser Timber Company
 Affects: NE1/4, NE1/4 Section 28, Township 35 South, Range 13 East

15. Reservation of all subsurface rights, except water, as disclosed in Deed,
 Dated: April 19, 1957
 Recorded: July 5, 1957
 Volume: 292, page 80, Deed Records of Klamath County, Oregon
 Grantor: U. S. Department of the Interior
 Grantee: Weyerhaeuser Timber Company
 Affects: W1/2 W1/2 NE1/4, E1/2 W1/2 NW1/4, E1/2 NW1/4, Section 29, Township 35 South, Range 13 East

16. An Access Road Easement created by instrument, subject to the terms and provisions thereof,
 Dated: August 11, 1959
 Recorded: September 8, 1959
 Volume: 315, page 446, Deed Records of Klamath County, Oregon
 In Favor Of: United States of America
 For: Access road
 Affects: Section 22, Township 38 South, Range 5 East and Section 24, Township 38 South, Range 5 East
 (Parcels 1 and 2)

17. Correction Easement Access Road Easement, subject to the terms and provisions thereof;
 Dated: January 12, 1962
 Recorded: January 29, 1962
 Volume: 335, page 263, Deed Records of Klamath County, Oregon
 In favor of: United States of America
 For: A strip of land 100 feet in width for roadway
 Affects: Section 24, Township 38, Range 5 East

18 Release of a portion of Access Road, subject to the terms and provisions thereof;
 Recorded: June 29, 1977
 Volume: M77, page 11590, Microfilm Records of Klamath County, Oregon

19. Right of Way and Road Use Agreement, subject to the terms and provisions thereof;
 Recorded: July 8, 1963
 Volume: 346, page 367, Deed Records of Klamath County, Oregon
 In Favor of: United States of America
 Affects: Roadway - Portions of Sections 16, 22 and 24, Township 38 South, Range 5 East (Parcels 1 and 2)
- Agreement, subject to the terms and provisions thereof;
 Recorded: January 9, 1964
 Volume: 350, page 362, Deed Records of Klamath County, Oregon
- Amendment #5, subject to the terms and provisions thereof;
 Recorded: June 12, 1970
 Volume: M70, page 4750, Microfilm Records of Klamath County, Oregon
- Amendment #6, subject to the terms and provisions thereof;
 Recorded: September 23, 1970
 Volume: M70, page 8428, Microfilm Records of Klamath County, Oregon
- Amendment #7, subject to the terms and provisions thereof;
 Recorded: March 12, 1973
 Volume: M73, page 2551, Microfilm Records of Klamath County, Oregon
- Amendment #8, subject to the terms and provisions thereof;
 Recorded: February 27, 1974
 Volume: M74, page 2828, Microfilm Records of Klamath County, Oregon
- Amendment #9, subject to the terms and provisions thereof;
 Recorded: May 23, 1975
 Volume: M75, page 5728, Microfilm Records of Klamath County, Oregon
- Amendment #10, subject to the terms and provisions thereof;
 Recorded: April 15, 1981
 Volume: M81, page 6738, Microfilm Records of Klamath County, Oregon
- Amendment #11, subject to the terms and provisions thereof;
 Recorded: October 18, 1984
 Volume: M84, page 17935, Microfilm Records of Klamath County, Oregon
- Amendment #12, subject to the terms and provisions thereof;
 Recorded: December 27, 1988
 Volume: M88, page 21974, Microfilm Records of Klamath County, Oregon
- Amendment #1 to O&C Logging Road Right of Way, subject to the terms and provisions thereof;
 Recorded: June 5, 1997
 Volume: M97, page 17259, Microfilm Records of Klamath County, Oregon
- Assignment of Right-of-way permit or Grant, subject to the terms and provisions thereof;
 Recorded: October 22, 1998
 Volume: M98, page 38770, Microfilm Records of Klamath County, Oregon
 Assignor: Divide Resources, Inc.
 Assignee: Roseburg Resources Co.
20. Approved Road Rights of Way through Klamath Indian Reservation Tribal Land, subject to the terms and provisions thereof;
 Dated: June 24, 1955
 Volume: 13 of Miscellaneous Records of Klamath County
 Affects: SW1/4 SE1/4 of Section 28, Township 35 South, Range 13 East

21. An easement created by instrument, subject to the terms and provisions thereof,

Dated: December 28, 1959

Recorded: January 15, 1960

Volume: 13, page 594, Miscellaneous Records of Klamath County, Oregon

In favor of: United States of America, Department of the Interior, Bureau of Indian Affairs

Affects: SE1/4 SE1/4 of Section 20, Township 35 South, Range 12 East
 W1/2 NW1/4 of Section 28, Township 35 South, Range 12 East
 S1/2 SE1/4 SE1/4 of Section 20, Township 35 South, Range 13 East
 NE1/4 NE1/4, E1/2 W1/2 NE1/4 of Section 29, Township 35 South, Range 13 East
 NW1/4 of Section 33, Township 35 South, Range 12 East
 SE1/4 NE1/4 of Section 31, Township 35 South, Range 13 East
 Section 10, Township 33 South, Range 13 East
 W1/2 SW1/4 of Section 35, Township 32 South, Range 7 East
 Rights subsequently transferred to Klamath County Oregon

Amendment to Easement, subject to the terms and provisions thereof,

Recorded: May 2, 1986

Volume: M86, page 7606, Microfilm Records of Klamath County, Oregon

22. Transmission Line Easement created by instrument, subject to the terms and provisions thereof,

Dated: January 20, 1966

Recorded: February 18, 1966

Volume: M66, page 1391, Microfilm Records of Klamath County, Oregon

In favor of: Portland General Electric Company

For: Electric power transmission lines

Affects: E1/2 SW1/4 SE1/4 of Section 20, Township 35 South, Range 13 East
 W1/2 NE1/4, E1/2 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 of Section 29, Township 35 South, Range 13 East
 NW1/4 SW1/4 of Section 32, Township 35 South, Range 13 East

23. Transmission Line Easement created by instrument, subject to the terms and provisions thereof,

Dated: January 20, 1966

Recorded: March 31, 1966

Volume: M66, page 2852, Microfilm Records of Klamath County, Oregon

In favor of: United States of America

For: Transmission line right of way

Affects: E1/2 SW1/4 SE1/4 of Section 20, Township 35 South, Range 13 East
 NW1/4 NE1/4, E1/2 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 of Section 29, Township 35 South, Range 13 East
 SE1/4 NE1/4 of Section 31, Township 35 South, Range 13 East
 NW1/4 SW1/4 of Section 32, Township 35 South, Range 13 East

24. An easement created by instrument, subject to the terms and provisions thereof,

Dated: April 4, 1969

Recorded: June 17, 1969

Volume: M69, page 4763, Microfilm Records of Klamath County, Oregon

In favor of: United States of America

For: Roadway

Affects: Section 2, Township 38 South, Range 5 East
 Section 4, Township 38 South, Range 5 East
 Section 12, Township 38 South, Range 5 East

(Parcel 1)

25. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: September 16, 1969
 Recorded: April 1, 1970
 Volume: M70, page 2498, Microfilm Records of Klamath County, Oregon
 In favor of: United States of America
 For: Right of Way for road
 Affects: Section 2, Township 38 South, Range 5 East
 Section 4, Township 38 South, Range 5 East
 Section 12, Township 38 South, Range 5 East
 (Parcel 1)

26. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: September 21, 1970
 Recorded: April 8, 1971
 Volume: M71, page 2951, Microfilm Records of Klamath County, Oregon
 In favor of: United States of America
 For: Roadway

Correction Deed, subject to the terms and provisions thereof;
 Recorded: November 17, 1986
 Volume: M86, page 20998, Microfilm Records of Klamath County, Oregon

Termination of a Segment of an Easement, subject to the terms and provisions thereof;
 Recorded: March 16, 1995
 Volume: M95, page 5892, Microfilm Records of Klamath County, Oregon
 Affects: N1/2 NW1/4, SE1/4 NW1/4, N1/2 SW1/4, SW1/4 SW1/4 of Section 23, Township 37
 South, Range 14 East
 SE1/4 NE1/4, NE1/4 SE1/4 of Section 27, Township 37 South, Range 14 East
 NE1/4, NW1/4, N1/2 SW1/4 of Section 25, Township 36 South, Range 15 East
 SE1/4 SE1/4 of Section 20, Township 35 South, Range 13 East
 N1/2 NE1/4, SW1/4 NE1/4 of Section 29, Township 35 South, Range 13 East
 Section 25, Township 40 South, Range 15 East

27. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: June 2, 1975
 Recorded: June 23, 1975
 Volume: M75, page 7076, Microfilm Records of Klamath County, Oregon
 In favor of: Doris VonderHellen, Nancy Charley, William C. Rose and Marilyn Wootton
 For: Easement for ingress and egress
 Affects: Sections 10 and 22, Township 38 South, Range 5 East
 (Parcel 1)

28. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: October 25, 1976
 Recorded: March 7, 1977
 Volume: M77, page 3911, Microfilm Records of Klamath County, Oregon
 In favor of: Weyerhaeuser Company
 For: Road easement
 Affects: SE1/4 SE1/4 Section 20, Township 35 South, Range 12 East
 SW1/4 SW1/4 Section 21, Township 35 South, Range 12 East
 W1/2 NW1/4 Section 28, Township 35 South, Range 12 East

29. A Road Easement created by instrument, subject to the terms and provisions thereof,
 Dated: March 24, 1977
 Recorded: June 30, 1977
 Volume: M77, page 11586, Microfilm Records of Klamath County, Oregon
 Grantee: The United States of America
 For: Access road
 Affects: Section 22, Township 38 South, Range 5 East
 (Parcel 1)

30. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: April 1, 1980
 Recorded: May 29, 1980
 Volume: M80, page 9722, Microfilm Records of Klamath County, Oregon
 In favor of: United States of America
 For: Roadway
 Affects: SW1/4 SW1/4 of Section 25, Township 36 South, Range 15 East
31. An easement created by instrument, subject to the terms and provisions thereof,
 Dated: April 3, 1981
 Recorded: May 19, 1981
 Volume: M81, page 8778, Microfilm Records of Klamath County, Oregon
 In favor of: Pacific Power & Light Company
 For: Electrical transmission line
 Affects: E1/2 SW1/4 SE1/4 of Section 20, Township 35 South, Range 13 East
 W1/2 NE1/4, SE1/4 NW1/4, NE1/4 SW1/4, S1/2 SW1/4 of Section 29, Township 35 South, Range 13 East
 NW1/4 SW1/4 of Section 32, Township 35 South, Range 13 East
32. A Right of Way Easement created by instrument, subject to the terms and provisions thereof,
 Dated: October 8, 1982
 Recorded: August 19, 1983
 Volume: M83, page 13972, Microfilm Records of Klamath County, Oregon
 Grantor: Weyerhaeuser Company
 Grantee: Pacific Power & Light Company
 For: Easement for electric transmission line
 Affects: NW1/4 SW1/4, S1/2 SW1/4 of Section 29, Township 35 South, Range 13 East
33. An easement for created by instrument, subject to the terms and provisions thereof,
 Dated: September 5, 1984
 Recorded: October 3, 1984
 Volume: M84, page 16949, Microfilm Records of Klamath County, Oregon
 Grantor: Weyerhaeuser Company
 Grantee: Telephone Utilities of Eastern Oregon, Inc.
 For: Buried cable
 Affects: SE1/4 SE1/4 of Section 20, Township 35 South, Range 12 East
 SW1/4 SW1/4 of Section 21, Township 35 South, Range 12 East
 W1/2 NW1/4 of Section 28, Township 35 South, Range 12 East
 SW1/4 NW1/4 of Section 28, Township 34 South, Range 8 East
34. A Easement Exchange created by instrument, subject to the terms and provisions thereof;
 Dated: August 16, 1988
 Recorded: October 19, 1990
 Volume: M90, page 21049, Microfilm Records of Klamath County, Oregon
 Grantor: Weyerhaeuser Company
 Grantee: Beth Lowenbach
 For: Road easement
 Affects: N1/2 SW1/4, SE1/4 SW1/4 of Section 23, Township 37 South, Range 14 East
35. Reservations in Bargain and Sale Deed, subject to the terms and provisions thereof, recorded January 9, 1992 in Volume M92, page 455, as follows:
 "EXCEPTING from said conveyance all ores, base and precious metals, coal, oil, gas, other liquid or gaseous hydrocarbons, minerals, and mineral bearing substances of every kind and character, hereinafter referred to as "Mineral Interests," now known to exist or hereafter discovered in the Property, but not including common rock, sand, gravel, cinders, or clay commonly used for road construction purposes; and SUBJECT TO use of the surface and subsurface of the Property by owners of such mineral interest in connection with exploration for, extraction, treatment, development, and disposition of such mineral interest."

36. Reservations in Warranty Deed, subject to the terms and provisions thereof;
 Recorded: July 8, 1993
 Volume: M93, page 16440, Microfilm Records of Klamath County, Oregon AND
 Recorded: August 20, 1993
 Volume: M93, page 20944, Microfilm Records of Klamath County, Oregon AND
 Recorded: August 20, 1993
 Volume: M93, page 20952, Microfilm Records of Klamath County, Oregon AND
 Recorded: December 17, 1993
 Volume: M93, page 33608, Microfilm Records of Klamath County, Oregon
 To wit:

"To the extent not heretofore conveyed, excepted or reserved, the Grantor hereby expressly saves, excepts and reserves out of the the grant hereby made, unto itself, its successors and assigns, forever, all geothermal steam and heat and all metals, ores and minerals of any nature whatsoever in or upon said land including, but not limited to, coal, lignite, peat, oil and gas. including coal seam gas, together with the right to enter upon said land for the purpose of exploring the same for such geothermal resources, metals, ores and minerals, and drilling, opening, developing and working mines and wells thereon and taking out and removing therefrom, including by surface mining methods, all such geothermal resources, metals, ores and minerals, and to occupy and make use of so much of the surface of said land as may be reasonably necessary for said purposes; provided, that Grantee and Grantee's heirs, representatives, successors and assigns, shall be paid just and reasonable compensation for any injury or damage to the surface of said land, to the crops or to the improvements thereon caused by the exercise of any rights herein reserved; provided, further, that the exercise of such rights by Grantor shall not be postponed or delayed pending reasonable efforts to agree upon or have determined such just and reasonable compensation."

37. Reservations in Warranty Deed, subject to the terms and provisions thereof;
 Recorded: August 20, 1993
 Volume: M93, page 20952, Microfilm Records of Klamath County, Oregon
 To wit:

"Grantor reserves the right to use for railroad, recreation trail and other transportation purposes the existing railroad right of way over and across the N1/2 N1/2 of Section 28, and the N1/2 NE1/4, SW1/4 NE1/4, E1/2 SW1/4 of Section 29, both in Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon. Such use shall include the right to enter into a rail banking agreement with the State of Oregon."

38. Reservations in Warranty Deed, subject to the terms and provisions thereof;
 Recorded: August 20, 1993
 Volume: M93, page 20952, Microfilm Records of Klamath County, Oregon
 To wit:

"Grantor reserves, in perpetuity, the right to use for all road purposes, for access to and from lands and timber now owned or hereafter acquired by Grantor, those roads over and across the following described lands:

W1/2 of Section 23, Township 37 South, Range 14 East
 SE1/4 NE1/4, NE1/4 SE1/4 of Section 27, Township 37 South, Range 14 East
 SW1/4 SW1/4 of Section 25, Township 36 South, Range 15 East
 NE1/4, N1/2 NW1/4 of Section 36, Township 36 South, Range 15 East

Grantor reserves the right to use for railroad, recreation trail and other transportation purposes the existing railroad right of way over and across the SE1/4 NE1/4 of Section 31, Township 35 South, Range 13 East of the Willamette Meridian, Klamath County, Oregon. Such use shall include the right to enter into a rail banking agreement with the State of Oregon."

39. 1999-2000 real property taxes, a lien not yet due and payable.

40. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water; whether or not the matters excepted under same are shown by the public records.
41. Subject to encroachments & boundary discrepancies which will be disclosed by a survey or an inspection of the property.

State of Oregon, County of Klamath
Recorded 9/02/99, at 3:24 p m.
In Vol. M99 Page 35469
Linda Smith,
County Clerk Fee \$ 65.00

EXHIBIT A
PAGE 10 OF 10