

25867

WITNESSETH:

78 100 10 AM 19

The above described real property is not currently used for agricultural, timber or gaming purposes.

The above described land presently is not currently used for agricultural, timber or mining purposes.

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon.

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

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

beneficiary.

2. To provide and coordinate and maintain insurance on the building owned by or under control of the grantor, to be adjusted for and payable to the grantor or his heirs, assigns, personal representatives and such other persons as the beneficiary may from time to time require, in an amount not less than \$100,000. Insurable value written in complete accordance to the beneficiary, with loss payable to the beneficiary, all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance, he shall deliver and policies to the beneficiary within fifteen days prior to the expiration of the policy of insurance in force; if the beneficiary shall fail to deliver 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 the option of the beneficiary, the entire amount so collected, or any part thereof, may be returned to grantor. Such application or release shall not constitute a waiver of the right of the beneficiary to sue for recovery of the amount so collected or released.

10. To have and to hold the first construction to and to pay all taxes, assessments and other charges against said property before any charge becomes past due or delinquent to beneficiary, the grantor agrees, insurance proceeds, flood damage proceeds, and any other proceeds or benefits of insurance shall 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, which shall be paid by the grantor, with interest as aforesaid, to the beneficiary, and all such payments shall be immediately due and payable without notice, and the beneficiary shall have the option of immediately terminating a portion of the 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's and attorney's fees actually incurred.

[illegible]

2. In the event any portion of all of said property shall be taken within the time of the expiration of the condemnation, beneficiary shall have the right, if it so elects, to require the payment of the full amount of the award to pay all reasonable costs incurred by and attorney's fees reasonably paid by beneficiary, which the said award shall be paid to beneficiary and the costs and expenses and attorney's fees shall be paid by the condemning authority. If the award is not so paid, the award shall be paid to the beneficiary by such proceedings as may be required by law, and the beneficiary shall be entitled to a hearing before the condemning authority, and the award shall be paid to the beneficiary and the costs and expenses and attorney's fees shall be paid by the condemning authority.

(a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any conveyance or agreement, or agreement affecting the land, the title or character thereof; (d) recover, withhold or pay any part of the purchase price. The grantees 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's 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 said property or any part thereof, in its own name and or otherwise collect the same, income and profits, including those past due and unpaid, and apply the same, with or without expenses of operation and collection, including reasonable attorney's fees upon the indebtedness hereby secured, and in such order as may be most proper and equitable, to the satisfaction of the beneficiary, to pay the same, and to determine the same.

11. The entering upon and taking possession of said 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.

granted to KAREN NELSON:

That I, Ulfar E. Einarsson, grantor in payment of any indebtedness secured hereby or in his performance of any agreement herunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose this trust for the purpose of satisfying the obligations secured hereby, and the beneficiary may foreclose. However if said real property is not so currently used, the beneficiary of his election may proceed to foreclose this trust first and in equity to a mortgagee of the property to satisfy the obligations secured hereby by advertisement in the newspaper of general circulation in the county in which the property is situated. In the latter event the beneficiary is to trust to the sheriff to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall sell the time and place of sale, give notice thereof on then the same day to the beneficiary and foreclose this trust deed in the manner provided in ORS 86.240 to 86.293.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by ORES 66-740, may pay to the beneficiary of his successors in interest, reasonable attorneys' fees and costs of the foreclosure, the amount of the principal obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50 each) other than such portion of the principal as would then be due to the beneficiary of his successors in interest, in which case the balance of the principal shall be deemed to have been paid.

When called upon to execute the same, shall and lawfully do the same.

It is Ordered in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction 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 covenant for warranty, express or implied, and without any warranty of title, and without any other consideration of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided him, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the satisfaction of the trust and (3) a reasonable charge to trustee's attorney. (2) to the obligation secured by the trust deed, (3) to all other recorded liens subsequent to the interest of the grantor in the trust deed, in their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to same.

14. For any reason permitted by law beneficiary may from time to time obtain success or successor trustee and power of attorney of successor trustee appointed hereunder. Upon such appointment, and without prejudice to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed in the deed, and shall be bound to execute and deliver all deeds and other instruments executed by beneficiary, containing reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, shall be deemed to be duly recorded.

15. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not prohibited to notify any party hereto of pending suit under any other deed of record, or to take any action or proceeding in regard to any other deed of record, or to take any action or proceeding in regard to any other deed of record, or to take any action or proceeding in regard to any other deed of record.

NOTE: The Trust Deed Act provides: not 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, or the United States or any agency thereof.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) * primarily for the grantor's personal, family, household or agricultural purposes (see Important Notice below),
(b) for an education, or (c) for a business or commercial purpose other than agricultural purposes.

This deed applies to, inure 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 deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

EDWIN THORP CO.

By: X Edwin Thorp
X Edwin Thorp

* IMPORTANT NOTICE: Debits, by being so, whichever warranty (a) or (b) is not applicable, if warranty (a) is applicable and the beneficiary is a creditor or 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, if the instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1369 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1366, or equivalent. If compliance with the Act not required, disregard this notice.

If the signer of the above is a corporation use the form of acknowledgment opposite

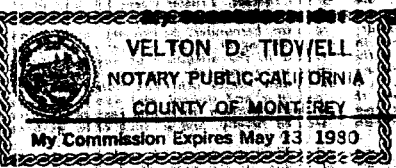
(ORS 93.490)

STATE OF CALIFORNIA
County of MONTREY
November 13, 1978
Personally appeared the above named
Edwin Thorp
Thorpe

and acknowledged the foregoing instrument to be his voluntary act and deed.

(OFFICIAL SEAL)

Edwin D. Tidwell
Notary Public for



STATE OF OREGON, County of _____, 19____

Personally appeared _____ and _____ who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of _____

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

(OFFICIAL SEAL)

Notary Public for Oregon
My commission expires:

REQUIRE 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 said 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 said trust deed or payment to future, to cancel all evidence of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under its terms. Mail reconveyance and documents to _____

DATED: _____

Beneficiary

Do not take or deliver this copy back OF THE NOTE until it is shown to the trustee for cancellation before reconveyance will be made.

TRUST DEED

STEVENS-NESS-LAW-PUB. CO., PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO

TA-Branch
Marlene

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON

County of _____

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book _____ on page _____ or as file/reel number _____ Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By

Deputy

PARCEL 1

25869

Government Lots 6, 7, 11 and 12 in Section 17, Township 41 South, Range 12 East of the Willamette Meridian in the County of Klamath, State of Oregon, LESS that portion on the South side of Lots 11 and 12 used for highway purposes.

SAVING AND EXCEPTING A STRIP OF LAND 1 rod wide and approximately 19 rods on East side of Southeast quarter of Northeast quarter of Section 17, Township 41 South, Range 12 East of the Willamette Meridian, said strip extending from meander line of 1881 to Southeast corner of Southeast quarter of Northeast quarter, township and range aforesaid and being in what is known as Farm Unit "A" of U.S. Reclamation Service, in South half of Northeast quarter of said Section, Township and Range aforesaid.

PARCEL 2

That portion of Government Lot 12 in Section 16, Township 41 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the point of intersection on the Easterly line of the 40 foot County Road described in Deed Volume 289 at page 206 and the Northerly right of way of the Great Northern Railroad; thence North parallel to the West line of Government Lot 12 a distance of 260 feet; thence East parallel to the North line of Government Lot 12 a distance of 160 feet; thence South parallel to the West line of Government Lot 12 a distance of 260 feet; thence West parallel to the North line of Government Lot 12 a distance of 160 feet to the point of beginning.

Subject, however, to the following:

1. Taxes for the year 1978-1979 are now a lien but not yet due and payable.
2. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals, of Klamath Irrigation District.
3. An easement created by instrument, including the terms and provisions thereof,

Dated : June 14, 1916
Recorded : October 19, 1916 Book: 46 Page: 201
In favor of : United States of America
For : 15 foot D-19 Lateral

(Affects Parcel 2)

4. Recitals, including the terms and provisions thereof, as set out in that certain deed from John B. McCulley, et ux., to Great Northern Railway Company, dated October 10, 1931, recorded December 19, 1931 in Book 96 at page 422, Deed Records.

(Affects Parcel 2)

5. Reservations, including the terms and provisions thereof, as set forth in that certain affidavit recorded in Volume 229 at page 213, Deed Records.

(Affects Parcel 1)

6. An easement created by instrument, including the terms and provisions thereof,

Recorded : January 18, 1957 Book: 289 Page: 206
In favor of : Klamath County
For : Road purposes on the Westerly side of said property

(Affects Parcel 2)

7. As disclosed by the assessment and tax roll, the premises herein have been specially assessed for farm use. If the land becomes disqualified for this special assessment under the statutes, an additional tax, plus interest and penalty, will be levied for the number of years in which this special assessment was in effect for the land. (CODE 16 MAP 128 TL 191 & 190)

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.
on 16th day of November A. D. 1978, at 11:33 o'clock AM., and
fully recorded in Vol. 178, of Mortgages on Page 25867

W. D. MILNE, County Clerk

Fee \$9.00

EXHIBIT "A"