

WITNESSETH:

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

Lot 10 Block 3 of Mountain Lakes Homesites, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

AKA Jeffrey B. Hurdle and Robert Hurdle, Jr.

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Five Thousand and One Hundred 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 hereof, if not sooner paid, to be due and payable per the terms of the note, of which said debt secured by this instrument is the date, stated above, on which the final installment of said note was due, and if thereafter it is sold, agreed to be sold or otherwise disposed of, then and in such case, the proceeds thereof shall be applied to the satisfaction of the indebtedness hereby secured.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained 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 hereinafter expressed, shall become immediately due and payable.

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

To protect the security of this trust deed, grantor agrees:
 1. To protect, preserve and maintain said property in good condition and repair; not to remove, or demolish any building or improvement thereon; not to commit any waste of said property.
 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 therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to and to pay for filing same in the public office as the beneficiary may require and to pay for all lien searches made 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 said premises against loss or damage by fire, theft, windstorm, hail, lightning, explosion, riot, civil commotion, sabotage, and such other hazards as the beneficiary may from time to time determine, in an amount not less than \$_____. Notwithstanding the foregoing, the policies in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance now or hereafter placed on said buildings, as to which the grantor has agreed for any reason to procure any such insurance and to add such policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings. The amount the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance may be applied by beneficiary against any indebtedness of beneficiary. The entire amount so collected, or any portion thereof, may be released to grantor. Such application or release shall not constitute a release of the grantor from his obligation to complete the work, nor cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or until the grantor promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds for payment thereof, make such payment, beneficiary may, at its option, set forth in the note secured hereby, together with interest at the rate set forth in the note secured hereby, the sum to be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of the covenants hereof and for such payments, with interest as aforesaid, the proponents 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, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiaries, constitute a breach of this trust deed.

6. To pay, 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, any judgment or action or proceeding purporting to

fees actually incurred. The beneficiary or trustee shall not be liable to defend any action or proceeding in which the beneficiary or trustee may appear, including action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of a deed of trust, or any costs and expenses, including reasonable attorney's fees, incurred by the beneficiary or trustee's attorney in connection with any suit of attorney's fees mentioned in this paragraph 7. In all cases, the beneficiary or trustee shall be liable to pay such sum as the appellate court or the trial court, if the beneficiary or trustee's attorney is not a party to the trial, shall deem reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

[illegible]

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 said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting in any way the lien or charge thereon; (d) reconvey, without reservation, all or any part of the property. The grantee in any of the foregoing may be described as the "person or persons authorized to execute this deed," 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 debtor hereunder, beneficiary may at any time without notice to either in person, by agent or by a receiver to be appointed by the 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 as beneficiary, and sell, lease, convey, assign, dispose of, and dispose of, and apply the same, issues and profits, including the proceeds of any sale or disposition of the property, to the payment of the principal and interest on the indebtedness hereby secured, and to the payment of the costs and expenses of collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event and if the real property securing the real property is currently used for agricultural, grazing purposes, the beneficiary may proceed to foreclose this trust deed in equity, as a mortgage in the manner provided by law for mortgage foreclosures. However if said real property is not so currently used, the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed in equity as a mortgage and sale. In the latter event, the beneficiary or the trustee shall execute and cause to be recorded a notice of default and his election to sell the said secured property to satisfy the obligations 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 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale, then after default, the beneficiary, prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by ORS 87.60, may pay to the beneficiary or his attorney the terms of the trust deed and the entire amount secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees exceeding \$50 each) other than such portion of the principal as the beneficiary would not then elect to prepay, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

14. Otherwise, the sale shall be held in public at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in two or more parcels and shall sell the parcel or parcels at the time of 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 warranties, express or implied. The recitals in the deed of sale shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the 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 commission of the trustee, (2) any reasonable charge by trustee's attorney, (3) to the whole or a part of the reasonable charge to all persons having recorded liens or claims secured by the trust deed, (4) to all persons having recorded liens or claims subsequent to the interest of the trustee in the trust subject to the liens or claims, (5) to the interest of the grantor and (6) to the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For as long as permitted by law beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, with all title, powers and duties of any trustee herein named or appointed hereunder, such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to this trust instrument and to the County of _____ and the State of _____ in which the property is situated, and its place of record, which, when recorded in the _____ County Clerk or Recorder of the county in which the property is situated, shall constitute an irrevocable assignment 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 notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee may be a party, unless such action or proceeding is brought by trustee.

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 in 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 grantor's personal, family, household or agricultural purposes (see Important Notice below),
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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 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.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor of 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 this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, 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 OREGON, California)
County of Los Angeles) ss.
February 25, 1979
Personally appeared the above named

Jeffrey Bryan Hurdle and Robert De Pau Hurdle, Jr.

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

(OFFICIAL SEAL)

Before me:

Notary Public for Oregon CALIFORNIA
My commission expires: 9-27-81

STATE OF OREGON, County of) ss.
19

Personally appeared

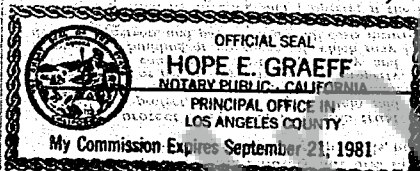
and who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of

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:

Notary Public for Oregon
My commission expires:

(OFFICIAL SEAL)



REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: Beneficiary, 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 pursuant to statute, to cancel all evidences 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 the same. Mail reconveyance and documents to

DATED: , 19

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

VKV (FORM No. 881) STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Hurdle

Grantor

Dore, Dore and Young

Beneficiary

AFTER RECORDING RETURN TO
Klamath County Title Co.
Attn: Milly

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 5th day of March, 1979, at 3:20 o'clock P.M., and recorded in book M79 on page 4868 or as file/roll number 63420.

Record of Mortgages of said County. Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk Title
By Bernice Skutch Deputy