

Second TRUST DEED

E. W. G. DEVELOPMENT COMPANY

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 EXHIBIT A

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 NINETY NINE THOUSAND FOUR HUNDRED AND NO/100-----

sum of NINETY-NINE THOUSAND 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 said note is to be due and payable January 15, 1980

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.

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 or permit 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 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 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 and such other hazards as the beneficiary may from time to time require, in an amount not less than \$ _____, written in companies acceptable to the beneficiary, with loss payable to the latter; 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 and to deliver said 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 beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary to the payment of 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 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, the grantor, jointly and severally, shall, within the time specified, due or delinquent and promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, then the beneficiary, at its option, may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured by this deed, together with the obligations described in paragraphs 6 and 7 of this deed, shall be added to and become a part of the debt secured by the note of this trust deed, without waiver of any rights arising from the nonpayment of the covenants hereof and for such purpose, as well as the grantor, shall be bound to the same. In default thereof they are bound for the payment of the obligation herein defined, and all such payments shall be immediately due and payable with interest thereon, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

6. To pay, or cause to be paid, all expenses of this trust including the cost of title insurance, 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.

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 of trust, pay the trustee's attorney's fees, including evidence of title insurance costs, incurred by the trustee in connection with the trial court's decision in this paragraph 7, in all cases shall be fixed by the trial court and in the event of an appeal from such decision as the degree of the trial court's award shall be determined by the appellate court, the appellate court shall adjudge reasonable as the benefits under this trust agreement'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

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an individual or savings and loan association authorized to do business under the laws of Oregon or any other state, its subsidiaries, affiliates, agents or branches, the United States or any foreign country.

[illegible]

services therefrom in advance of the time when the grantor hereunder is to receive the same. Upon the default by grantor hereunder in making any such payment without notice, either in person, by agent or by a duly authorized officer appointed by a court, and without regard to the adequacy of any security, the indebtedness hereby secured, either upon and before payment of such principal, interest or any part thereof, in its own name and for its own benefit, shall be a lien in favor of the beneficiary hereof upon the property of the grantor hereunder, and upon all the same assets and profits, including the proceeds of any such property, and upon all the same business and assets of operation and collection, including but not limited to the net 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 the 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 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 by advertisement and sale. In the latter event the beneficiary or the trustee may execute and cause to be recorded his written notice of election to foreclose and cause the said described real property to be sold, and his election to sell the said described real property shall satisfy the obligations secured hereby; whereafter the trustee shall file in 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 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 ORS 86.60, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and costs of suit) and thereby discharge the amounts owed, and then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

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 said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels, and shall divide 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 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, excluding the trustee, 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 obligation secured by the mortgage charge by trustee's attorney; (3) to the obligation secured by the second mortgage charge by trustee's attorney; (4) to the interest of the trustee in the trust deed as to which interests may appear in the order of their priority and (5) the surplus if any, to the grantor or to his successor in interest entitled to such surplus.

[illegible]

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 shall 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, or a trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company, or an agency licensed to do business in the state of Oregon. If the trustee is a corporation, partnership, or other entity, it must have its principal office in the state of Oregon. If the trustee is a corporation, partnership, or other entity, it must have its principal office in the state of Oregon. If the trustee is a corporation, partnership, or other entity, it must have its principal office in the state of Oregon.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is law-fully seized in fee simple of said described real property and has a valid, unencumbered title thereto Except Mortgage dated NOVEMBER 20, 1979 and recorded NOVEMBER 27, 1979 in Book M-79 Page 27569 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), or 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 pledgees, 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 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, 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, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath ss.

Personally appeared the above named

Earl William Green
Pres of EWG Development

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

(OFFICIAL SEAL)

Before me:

Donna Rick
Notary Public for Oregon
My commission expires 1/21/83

(ORS 93.490)

STATE OF OREGON, County of _____ ss.

Personally appeared _____, 19____

duly sworn, 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 the 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: _____, 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

(FORM No. 881-1)

STEVENS-NESS LAW PUB. CO., PORTLAND ORE

Grantor

Beneficiary

AFTER RECORDING RETURN TO

TA donna

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ ss.

I certify that the within instrument was received for record on the _____ day of _____, 19____

at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ or as document/fee/file/instrument/microfilm No. _____ Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____

Deputy

Exhibit A

PARCEL 1

A portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point which is 30 feet West and 30 feet South of quarter corner between Sections 1 and 2, Township 39 South, Range 9 East of the Willamette Meridian, and being the true point of beginning of this description; thence South 308.88 feet to a point; thence West 56.4 feet to a point; thence North 308.88 feet to a point; thence East 56.4 feet to the point of beginning.

EXCEPTING THEREFROM that portion Deeded to State of Oregon by and through its State Highway Commission by Deed Volume 353 at page 439.

PARCEL 2

Beginning at a point 30 feet South and 86.4 feet West of the quarter corner between Sections 1 and 2, Township 39 South, Range 9 East of the Willamette Meridian; thence South 376.5 feet; thence North 70° 19' West 63.2 feet; thence North 355.6 feet; thence East 59.5 feet to the place of beginning.

EXCEPTING THEREFROM that portion deeded to State of Oregon by and through its State Highway Commission in Deed Volume 354 at page 251.

SAVING AND EXCEPTING from the above described parcels a portion of the NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 2, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a one-half iron pin on the West line of Madison Street and the Northerly bank of the Enterprise Canal which iron pin bears South 30.0 feet and West 30.0 feet and South 396.7 feet from the East quarter corner of said Section 2; thence along the Northerly bank of the Enterprise Canal North 70° 19' West a distance of 123.1 feet to a one inch iron axel; thence North a distance of 85.6 feet to a point; thence East parallel with the South right of way line of South Sixth Street, a distance of 115.9 feet to a point on the West line of Madison Street; thence South along said West line a distance of 126.7 feet, more or less, to the point of beginning.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.
 this 13th day of December A. D. 1979 at 3:58'clock P.M., and
 duly recorded in Vol. N79, of Mortgages on Page 28750

Wm D. MILNE, County Clerk

By Bernetha H. Hetch

Fee \$10.50