

Recording requested by

NORTHERN PROPERTIES
a Limited Partnership

When recorded mail to:

NORTHERN PROPERTIES
19762 MacArthur Blvd., Suite 300
Irvine, CA 96715

ALL-INCLUSIVE DEED OF TRUST AND
ASSIGNMENT OF RENTS

THIS ALL-INCLUSIVE DEED OF TRUST AND ASSIGNMENT OF RENTS, made this 20th day of January, 1980, by and between MONARCH LAND AND CATTLE COMPANY, a California corporation, hereinafter called "Grantor"; NORTHERN PROPERTIES, a Limited Partnership, hereinafter called "Beneficiary"; and KLAMATH COUNTY TITLE COMPANY, hereinafter called "Trustee";

WITNESSETH:

That Grantor IRREVOCABLY GRANTS, TRANSFERS, AND ASSIGNS TO TRUSTEE IN TRUST, WITH POWER OF SALE, that certain real property located in the City of _____, County of KLAMATH, State of Oregon more particularly described in Exhibit "A" attached hereto and incorporated herein by reference.

TOGETHER WITH the rents, issues, and profits thereof;
SUBJECT HOWEVER, to the right, power, and authority given to
and conferred upon Beneficiary by the provisions incorporated
herein by reference to collect and apply such rents, issues,
and profits.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Grantor incorporated by reference or contained herein; (2) Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extensions, modifications, or renewals thereof, in the principal sum of Four Hundred Ninety-four Thousand Four Hundred and no/100 Dollars (\$494,400.00) executed by Grantor in favor of Beneficiary, or order; and (3) Performance of each agreement of Grantor contained in said promissory note, which agreements are incorporated herein by reference and made a part hereof as if fully set forth herein.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR AGREES to all the provisions attached hereto marked Exhibit "B" and therein enumerated items 1 through 17 inclusive and additional provisions to the Deed of Trust set forth in Exhibit "C" attached hereto and incorporated herein by reference.

BY THE DELIVERY AND ACCEPTANCE OF THIS DEED OF TRUST, Grantor and Beneficiary, for themselves and their successors and assigns, further agree as follows:

Default

1. This is an All-Inclusive Deed of Trust and

is subject and subordinate to deed(s) of trust now of record or hereafter recorded securing those certain promissory notes referred to in the note secured hereby as the Underlying Notes which Beneficiary has agreed to pay pursuant to the terms thereof as provided in the note secured hereby. Should the Beneficiary default in the payment or performance of any obligation called for under the Personal Property Obligations as described in the note secured hereby, Grantor may make said payments including late charges, penalties, advances, and impounds direct to the Beneficiary, obligee, or holder thereof, and any and all payments so made shall be credited against the payments next due under the note which is secured by this Deed of Trust.

Foreclosure

2. Beneficiary agrees that, in the event of foreclosure of this Deed of Trust, Beneficiary shall, at any Trustee's sale, bid an amount not in excess of the amount then due upon the obligations secured hereby, including late charges, penalties and/or advances; minus the total of: (a) the balance then due upon any obligations secured by any and all deed of trust having priority over, or "included" in, this All-Inclusive Deed of Trust and relating to the above-described real property, including late charges, interest penalties, advances and/or impounds, and (b) the balance then due upon all Personal Property Obligations as described in the note secured hereby, including late charges, interest and/or penalties; plus any advances, disbursements, or costs which Beneficiary may, by law or by agreement, include in the bid.

Reconveyance

3. Upon payment in full of the note secured hereby, Beneficiary shall obtain and deliver to Grantor a full reconveyance of this Deed of Trust.

Trustee's Deed

4. After the issuance of Trustee's deed by reason of any foreclosure of this Deed of Trust, all covenants and agreements contained in this Deed of Trust shall cease and terminate.

Property

5. This Deed of Trust secured the payment of a portion of the purchase price of the real property hereinabove described.

The undersigned Grantor requests that a copy of any Notice of Default or any Notice of Sale be mailed to Grantor at Grantor's address shown below.

Address:

19762 MacArthur Blvd., #300
Irvine, CA 96715

"GRANTOR"

MONARCH LAND & CATTLE COMPANY
a California Corporation

By 

Donald J. MacAdam, President

By 

"BENEFICIARY"
NORTHERN PROPERTIES
a Limited Partnership

Address:

1901 S. Bascom Ave., Suite 905
Campbell, CA 95008

By 

Joseph Bills, General Partner

10117

TO 442 C
(Partnership)



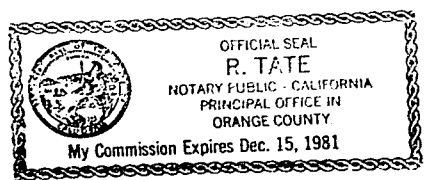
STATE OF CALIFORNIA }
COUNTY OF ORANGE } SS.
On MAY 16, 1980

before me, the undersigned, a Notary Public in and for said State, personally appeared
JOSEPH BILLS
known to me

to be the general partner of the partnership
that executed the within instrument, and acknowledged to me
that such partnership executed the same.

WITNESS my hand and official seal.

Signature [Signature]
Name (Typed or Printed) R. TATE



(This area for official notarial seal)

Form 3002—(Corporation) First American Title Company

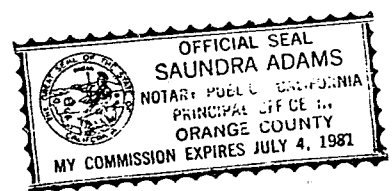
STATE OF CALIFORNIA }
COUNTY OF ORANGE } ss.
On May 14, 1980

before me, the undersigned, a Notary Public in and for
said State, personally appeared Donald H. MacAdam
known to me to be the _____ President, and _____

known to me to be the _____ Secretary of the corporation that executed the within instrument,
and known to me to be the persons who executed the within
instrument on behalf of the corporation therein named, and ac-
knowledgeed to me that such corporation executed the within
instrument pursuant to its by-laws or a resolution of its board of
directors.

WITNESS my hand and official seal.

Signature [Signature]
Name (Typed or Printed) Saundra Adams



(This area for official notarial seal)

DESCRIPTION OF PROPERTY

KLANATH FALLS FOREST ESTATES - SYCAN UNIT

Page 1

BLK. NO.	LOT DESCRIPTION	ASSESSOR PARCEL NO.
1	Sly. 442.3 ft. of the Nly. 884.6 ft. of	08-3313-3000-0200
1	Nly. 415 ft. of	08-3313-3000-0900
1	Sly. 415 ft. of the Nly. 830 ft. of	08-3313-3000-1000
1	Nly. 415 ft. of the Sly. 830 ft. of	08-3313-3000-1100
1	All of Lot 6, except the Nly. 415 ft. thereof	08-3313-3100-4200
2	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-3000-2800
2	Sly. 415 ft. of the Ely. 1035 ft. of	08-3313-3000-2900
2	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-3000-3000
2	All of Lot 9, except the Ely. 1035 ft. and the Sly. 415 ft.	08-3313-3100-3300
2	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-3100-3400
2	All Lot 9, except the Ely. 1035 ft. and the Nly. 415 ft.	08-3313-3100-4000
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-4500
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-3500
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-3800
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-1500
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-0500
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3100-0800
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-3710
2	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-3000-5900
2	Sly. 415 ft. of the Ely. 1035 ft. of	08-3313-3000-6000
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-3810
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-5800
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-3800
2	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-4500
2	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-3000-4400
3	Wly. 517.5 ft. of the Ely. 1035 ft. of	08-3313-3100-5800
5	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-2900-1800
5	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-2900-1700
5	Sly. 415 ft. of the Ely. 1035 ft. of	08-3313-2900-2000
5	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-2900-2700
5	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-2900-3000
5	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-2900-2900
5	Nly. 415 ft. of the Wly. 1035 ft. of	08-3313-2900-3800
5	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-2900-3700
5	Sly. 415 ft. of the Wly. 1035 ft. of	08-3313-2900-3900
5	Nly. 415 ft. of the Ely. 1035 ft. of	08-3313-2900-4700

BLK. NO.	LOT DESCRIPTION	LOT	ASSESSOR PARCEL NO.
5	NLY 415 ft. of the WLY. 1035 ft. of	6	08-3313-3200-0500
5	NLY 415 ft. of the Ely. 1035 ft. of	"	08-3313-3200-0400
5	NLY 415 ft. of the WLY. 1035 ft. of	6	08-3313-3200-0600
5	NLY 415 ft. of the WLY. 1035 ft. of	"	08-3313-3200-0600
5	NLY 415 ft. of the Ely. 1035 ft. of	7	08-3313-3200-1500
5	NLY 415 ft. of the WLY. 1035 ft. of	"	08-3313-3200-1700
5	NLY 415 ft. of the WLY. 1035 ft. of	7	08-3313-3200-1600
5	NLY 415 ft. of the WLY. 1035 ft. of	9	08-3313-3200-3400
5	NLY 415 ft. of the Ely. 1035 ft. of	10	08-3313-3200-4500
5	NLY 415 ft. of the Ely. 1035 ft. of	10	08-3313-3200-4600
5	NLY 415 ft. of the WLY. 1035 ft. of	12	08-3313-3200-3200
5	NLY 415 ft. of the Ely. 1035 ft. of	13	08-3313-3200-2900
5	NLY 415 ft. of the Ely. 1035 ft. of	"	08-3313-3200-1300
5	NLY 415 ft. of the Ely. 1035 ft. of	14	08-3313-3200-1200
5	NLY 415 ft. of the WLY. 1035 ft. of	"	08-3313-3200-1900
5	NLY 415 ft. of the Ely. 1035 ft. of	14	08-3313-3200-1800
5	NLY 415 ft. of the WLY. 1035 ft. of	15	08-3313-3200-0200
5	NLY 415 ft. of the WLY. 1035 ft. of	16	08-3313-2900-5600
5	NLY 415 ft. of the WLY. 1035 ft. of	17	08-3313-2900-4600
5	NLY 415 ft. of the WLY. 1035 ft. of	"	08-3313-2900-5100
5	NLY 415 ft. of the Ely. 1035 ft. of	18	08-3313-2900-3600
5	NLY 415 ft. of the Ely. 1035 ft. of	18	08-3313-2900-3500
5	NLY 415 ft. of the WLY. 1035 ft. of	18	08-3313-2900-4200
5	NLY 415 ft. of the WLY. 1035 ft. of	18	08-3313-2900-4100
5	NLY 415 ft. of the WLY. 1035 ft. of	19	08-3313-2900-2600
5	NLY 415 ft. of the WLY. 1035 ft. of	19	08-3313-2900-3200
5	The Ely. 1035 ft. of the North 1/2 of	19	08-3313-2900-3100
5	Sly 415 ft. of the Ely. 1035 ft. of	20	08-3313-2900-1500
5	Sly 415 ft. of the WLY. 1035 ft. of	20	08-3313-2900-2200
6	The WLY. 415 ft. of	20	08-3313-2900-2100
6	The WLY. 415 ft. of the Ely. 830 ft. of	2	08-3313-3000-2700
6	The Ely. 415 ft. of	2	08-3313-3000-4700
6	All of Lot 10, except the South 1233 ft. and the West 400 ft.	2	08-3313-3000-4800
6	The Ely. 400 ft. of the South 1/2 of	Lot 11	08-3313-2100-0900
6	The WLY. 400 ft. of the South 1/2 of	Lot 11	08-3313-2800-1000
6	All of Lot 14, except the South 1233 ft. and the West 400 ft.	11	08-3313-2800-0900
6	The East 400 of the South 1233 ft. of	Lot 15	08-3313-2200-0400
			08-3313-2700-0600

BLK. NO.

LOT DESCRIPTION

ASSESSOR PARCEL NO.

7	Ely 1035 ft. of the South 1/2 of	Lot 1	08-3313-2800-2000
7	Wly 1035 ft. of the South 1/2 of	" 1	08-3313-2900-2300
7	Nly 415 ft. of the Wly. 1035 ft. of	" 2	08-3313-2900-2400
7	Nly 415 ft. of the Ely. 1035 ft. of	" 2	08-3313-2800-2700
7	Nly 415 ft. of the Ely. 1035 ft. of	" 3	08-3313-2800-4000
7	Nly 415 ft. of the Wly. 1035 ft. of	" 6	08-3313-3200-0100
7	Nly 415 ft. of the Ely. 1035 ft. of	" 7	08-3313-3300-1500
7	Sly 415 ft. of the Ely. 1035 ft. of	" 7	08-3313-3300-1600
7	Sly 415 ft. of the Wly. 1035 ft. of	" 7	08-3313-3200-2000
7	Nly 415 ft. of the Wly. 1035 ft. of	" 8	08-3313-3200-2100
7	Sly 415 ft. of the Wly. 1035 ft. of	" 8	08-3313-3200-3000
7	Nly 415 ft. of the Ely. 1035 ft. of	" 9	08-3313-3300-3500
7	Sly 415 ft. of the Ely. 1035 ft. of	" 9	08-3313-3300-3600
7	Nly 415 ft. of the Ely. 1035 ft. of	" 10	08-3313-3300-4500
7	Sly 415 ft. of the Ely. 1035 ft. of	" 10	08-3313-3300-4600
7	Nly 415 ft. of the Ely. 1035 ft. of	" 11	08-3313-3300-4300
7	All of Lot 11, except the Nly 415 ft. and the Ely 1035 ft.	" 11	08-3313-3300-4700
7	Sly 415 ft. of the Wly. 1035 ft. of	" 13	08-3313-3300-2700
7	Nly 415 ft. of the Wly. 1035 ft. of	" 17	08-3313-2800-5100
7	Wly 1035 ft. of the North 1/2 of	" 18	08-3313-2800-3900
7	Wly 1035 ft. of the South 1/2 of	" 18	08-3313-2800-3000
7	All Lot 19, except the Nly 415 ft. and the Wly. 1035 ft.	" 19	08-3313-2800-2900
7	Sly 415 ft. of the Wly. 1035 ft. of	" 20	08-3313-2800-1800
7	Ely 500 ft. of the Wly. 1035.01 ft. measured along So Line,	" 20	08-3313-2800-1600
9	All Lot 20, except the Wly. 1535.01 ft. measured along South Line	" 1	08-3313-3300-5400
10	The Wly. 510 ft. of	Lot 1	08-3313-3300-0900
10	Sly 415 ft. of the Wly. 1035 ft. of	" 5	08-3313-3300-1200
10	Nly 415 ft. of the Wly. 1035 ft. of	" 6	08-3313-3300-1900
10	Sly 415 ft. of the Wly. 1035 ft. of	" 8	08-3313-3300-3200
10	Nly 415 ft. of the Wly. 1035 ft. of	" 8	08-3313-3300-3100
10	Nly 415 ft. of the Wly. 1035 ft. of	" 11	08-3313-3400-2900
10	Nly 415 ft. of the Wly. 1035 ft. of	" 12	08-3313-3400-2100
10	Nly 415 ft. of the Ely. 1035 ft. of	" 12	08-3313-3400-2000
10	Nly 415 ft. of the Wly. 1035 ft. of	" 14	08-3313-3400-0500
10	Nly 415 ft. of the Wly. 1035 ft. of	" 14	08-3313-3400-0700
10	Sly 415 ft. of the Ely. 1035 ft. of	" 14	08-3313-3400-0600
10	Sly 415 ft. of the Wly. 1035 ft. of	" 15	08-3313-2700-5700
10	Nly 415 ft. of the Ely. 1035 ft. of	" 16	08-3313-2700-6200
10	South 415 ft. of the North 1520.24 of the West 1035 ft.	" 16	08-3313-2700-6100

LOT	DESCRIPTION	ASSESSOR PARCEL NO.
11	East 575 ft. of the West 1035 ft., measured along North line, Lot 1	08-3313-2800-1400
11	Beginning at the Northeast corner of Lot 2; thence North and East line " 1	08-3313-2800-1300
11	of said Lot, 630 ft; thence South to the Easterly line of said Lot; Beginning at a point which bears S. 35°57'32" W. 1000 ft. and	
11	thence N. 54°02'28" W. 400 ft. from the most Easterly corner of Lot 3; thence S. 34°23'58" W. to a point on the Westerly line of Lot 3;	
11	thence along the Southerly line of Lot 3 to a point which is S. 35°57'32" W. from the point of beginning; thence N. 35°57'32" E. to the point of beginning.	
11	The Sely. 415 ft. of the Nely. 975 ft. of	
11	All Lot 5, except the Nely. 415 ft. and the Nely 975 ft.	
11	The Nly. 500 ft. of the Ely. 780.59 ft. measured along North line, from the Northwest corner of Lot 10; thence South to the Southerly line of said Lot 10; thence Northwesterly and Northerly along the exterior lines of said Lot to a point that is West of the point of beginning; thence East to the point of beginning.	
12	The North 460 ft. of the West 1/2 of	
12	The South 460 ft. of the East 1/2 of	
12	The South 460 ft. of the East 1/2 of	
12	The South 460 ft. of the West 1/2 of	
14	The South 460 ft. of the West 1/2 of	
14	West 415 ft. of the South 1037.5 ft. of	
14	West 415 ft. of the North 1037.5 ft. of	
14	East 415 ft. of the North 1037.5 ft. of	
14	East 415 ft. of the South 1037.5 ft. of	
14	Sly. 415 ft. of the North 1037.5 ft. of	
14	All Lot 10, except the Nly. 1035 ft. of	
14	All Lot 10, except the North 400 ft. and the West 1035 ft.	
15	The North 430 ft. of the West 1059.15 ft. of	
15	All Lot 3, except the South 430 ft. and the East 1035 ft.	
15	North 415 ft. of the East 1/2 of	
15	North 400 ft. of the East 1062.18 ft. of	

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LOT DESCRIPTION

ASSESSOR PARCEL NO.

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Beginning at a point on the East line of Lot 1 that is North 900 ft. from the Southeast corner thereof; thence West to the West line thereof; thence Northerly, Easterly and Southerly along the exterior lines of said lot to the point of beginning. 430 ft. from the Southeast corner thereof; thence North along East line 470 ft; thence West to the Westerly line of said Lot; thence Southerly along the Westerly line of said Lot to a point West of the point of beginning; thence East to the point of beginning. Lot 1 08-3313-2300-0900

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Beginning at the Southeast corner of Lot 1; thence North along the East line 430 ft; thence West to the Easterly line of said Lot; thence Southerly and Easterly along the exterior lines of said Lot to the point of beginning. Beginning at a point 450 ft. North and 700 ft. West of the Southeast corner of Lot 2; thence North to the Northerly line of said Lot; thence Easterly and Southerly along the exterior lines of said Lot to a point East of the point of beginning; thence West to the point of beginning. The South 450 ft. of the East 870 ft. of

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Beginning at a point on the North line of Lot 4 which is 560 ft. thence West to the Easterly line of White Ash Lane; thence Northerly and Westerly along said line to a point 1110 ft. West of the East line of said Lot; thence North to the North line of said Lot; thence East 550 ft. to the point of beginning. Beginning at the Northeast corner of Lot 4; thence West along the North line of said Lot 560 ft; thence South 850.11 ft; thence East 560 ft. to the East line of said Lot; thence North 850 ft. to the point of beginning. The North 550 ft. of the West 900 ft. of The West 350 ft. of The East 400 ft. of the West 750 ft. of Beginning at the Northeast corner of Lot 6; thence West along the North line of said Lot 941.48 ft; thence South 450 ft; thence thence East to the Easterly line of said Lot; thence Northerly along said Easterly line to the point of beginning. " 6 08-3313-2400-5100

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Lot	DESCRIPTION	ASSESSOR PARCEL NO.
16	The Ely. 725 ft. of the N1/4. 635 ft. of	08-3313-2300-3200
16	The Ely. 725 ft. of the S1/4. 635 ft. of	08-3313-2300-3300
16	The W1/4. 725 ft. of the S1/4. 635 ft. of	08-3313-2300-3400
17	The S1/4. 635 ft. of the Ely. 686 ft. of	08-3313-2300-3500
17	The North 415 ft. of the Ely. 686 ft. of	08-3313-2200-1200
18	The North 900 ft. of the East 450 ft. of	08-3313-2300-2700
18	All Lot 1, except the West 1100 ft. and the South 490 ft.	08-3313-1300-1000
18	The South 490 ft. of Lot 1, except the West 1100 ft. thereof	08-3313-1300-1100
18	The West 1100 ft. of the S1/4. 635 ft. of	08-3313-1300-3400
18	The S1/4. 415 ft. of the West 1100 ft. thereof	08-3313-1300-4100
18	The North 415 ft. of the West 1100 ft. thereof	08-3313-1300-4400
18	The North 415 ft. of the East 1/2 of	08-3313-1300-4300
18	The South 415 ft. of the East 1/2 of	08-3313-1300-5200
18	The South 415 ft. of the East 1/2 of	08-3313-1300-5100
18	The North 415 ft. of the West 1/2 of	08-3313-1300-6100
18	The South 415 ft. of the East 1/2 of	08-3313-2400-0700
18	The North 415 ft. of the West 1/2 of	08-3313-2400-0900
18	The East 500 ft. of the East 1/2 of	08-3313-2400-1000
18	The East 400 ft. of the West 1700 ft. of	08-3313-2400-0800
18	The East 400 ft. of the West 1200 ft. of	08-3313-2400-1600
18	The West 400 ft. of the West 800 ft. of	08-3313-2400-1100
18	The East 415 ft. of the North 1035 ft. of	08-3313-2400-3600
18	The West 415 ft. of the North 1035 ft. of	08-3313-2400-3500
18	The West 415 ft. of the North 1035 ft. of	08-3313-2400-3400
18	The East 415 ft. of the North 1035 ft. of	08-3313-2400-3300
18	The East 415 ft. of the North 1035 ft. of	08-3313-2400-1800
18	The West 415 ft. of the North 1035 ft. of	08-3313-2400-1700
18	The West 415 ft. of the South 1035 ft. of	08-3313-2400-3100
18	The East 415 ft. of the North 1035 ft. of	08-3313-2400-2000
18	The West 415 ft. of the North 1035 ft. of	08-3313-2400-1900
18	The West 415 ft. of the South 1035 ft. of	08-3313-2400-3000
18	The North 415 ft. of the South 1035 ft. of	08-3313-2400-2900
18	The West 415 ft. of the South 1035 ft. of	08-3313-2400-2200
18	The East 415 ft. of the South 1035 ft. of	08-3313-2400-2100
18	The North 415 ft. of the South 1035 ft. of	08-3313-2400-2800
18	The West 415 ft. of the South 1035 ft. of	08-3313-2400-2700
18	The North 460 ft. of the South 1035 ft. of	08-3313-2400-2500
18	The South 430 ft. of the South 890 ft. of	08-3313-2400-2600

BLK. NO.

LOT DESCRIPTION

Page 7

ASSESSOR PARCEL NO.

18	The South 410 ft. of Lot 14, except the East 1660 ft. thereof	Lot 14	08-3313-2400-0200
18	The West 415 ft. of the East 1660 ft. of	" 14	08-3313-2400-0300
18	The West 415 ft. of the East 1245 ft. of	" 14	08-3313-2400-0400
18	The West 415 ft. of the East 830 ft. of	" 14	08-3313-2400-0500
18	Beginning at the Northeast corner of Lot 15; thence South 415 ft.;	" 14	08-3313-2400-0600
18	thence West 1000 ft.; thence North to the Northerly line of said		
18	Lot; thence East along Northerly line to the point of beginning.	" 15	08-3313-1300-5500
18	Beginning at the Southeast corner of Lot 15; thence North 415 ft;		
18	thence West 1000 ft; thence South to the Southerly line of said		
18	Lot; thence East along Southerly line to the point of beginning.	" 15	08-3313-1300-6000
18	Beginning at a point South 415 ft. and West 1000 ft. from the		
18	Northeast corner of Lot 15; thence South to the Southerly line		
18	of said Lot; thence Westerly to the Southwest corner of said Lot;		
18	thence Northerly along Westerly line of said Lot to a point West		
18	of the point of beginning; thence East to the point of beginning.	" 15	08-3313-1300-5900
18	The East 1000 ft. of the North 415 ft. of	" 16	08-3313-1300-4500
18	The East 1000 ft., except the North 415 ft. thereof of	" 16	08-3313-1300-5000
18	All Lot 16, except the North 415 ft. and the East 1000 ft.	" 16	08-3313-1300-4900
18	The North 415 ft. of the East 1000 ft. of	" 17	08-3313-1300-3500
18	The South 415 ft. of the East 1000 ft. of	" 17	08-3313-1300-4000
18	The North 415 ft. of the East 1000 ft. of	" 18	08-3313-1300-2500

-----END DESCRIPTIONS-----

KLAMATH COUNTY TITLE CO.

By:

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 thereon.
- 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 property 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 amount not less than \$525,300.00, 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 building 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 not done pursuant of 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 before any part of such taxes, assessments and other charges become 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 its obligations described in paragraphs 6 and 7 of this trust deed shall be added in and become a part of this debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and 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, and all such payments shall be immediately due and payable, without notice and the nonpayment thereon 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 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.
- 7) To appear in and defend any action or proceeding purporting to affecting 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, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 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's fees on such appeal.

It is mutually agreed that:

- 8) In the event that any portion or all of said 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's 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's 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; and 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.
- 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 this deed or the lien or charge thereof; (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's fees for any of the services mentioned in this paragraph shall be not less than \$

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 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's fees upon any indebtedness secured hereby, and in such order as 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 of compensation or awards for taking or damage of the property, and the application of release 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 above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose the 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 by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause 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 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 and 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 86.760, 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 trustee's and attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would not 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. 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 to be sole, but without any covenant or warranty expressed 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 trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deeds as 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 such surplus.

16) For any reason 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, and without conveyance to the successor trustee, the latter shall be vested with all title powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument 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 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 notify any party herein of pending sale under any other deed of trust or any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

ADDITIONAL PROVISIONS TO DEED OF TRUST

From time to time and at the request of Trustor, Beneficiary shall instruct the Trustee under the Deed of Trust to release any legal parcel of the Real Property described herein from the lien and priority of this Deed of Trust, provided the Beneficiary has theretofore received from the Trustor the sum of Three Thousand Dollars (\$3,000.00) for each such parcel to be so released. All Release Payments shall apply against the obligatory payments of principal and interest next due under the Note secured hereby, and all principal payments under the terms of said Note shall be credited on amounts paid for partial reconveyances hereunder.

EXHIBIT "C" TO DEED OF TRUST

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Co.
 this 4th day of June A. D. 1980 at 2:18 o'clock P.M., on
 duly recorded in Vol. M80, of Mortgages on Page 10125

Wm D. MILNE, County Clerk

By Bernetha H. Katoch

Fee \$45.50