

TN-1

12986

## TRUST DEED

Vol. 112 Page 7987

THIS TRUST DEED, made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, between  
 Robert William Charles and Majorie A. Charles, 2411 Dellwood  
 Medford, Oregon  
 as Grantor, Mountain Title Company  
 Crocker National Bank

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:

Lot 3 in Block 96, Buena Vista Addition to the City of Klamath Falls,  
 according to the official plat thereof on file in the office of the  
 County Clerk of Klamath County, Oregon

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  
 indebtedness and obligations of Grantor under a continuing guaranty of Grantor for  
 the benefit of Beneficiary, a copy of which is attached hereto as Exhibit A.

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  
 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 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 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 and for such payments, with interest as aforesaid, the property  
 herebefore 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 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  
 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, 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 ~~TRUST DEED~~  
 (in case of full reconveyances, for cancellation), without affecting  
 the liability of any person for the payment of the indebtedness, trustee may  
 \* continuing guaranty

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.

(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 \$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 ap-  
 pointed 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 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 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 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 86.760, 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 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 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 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 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 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 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 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.

guaranteed by the continuing guaranty which is secured by

The grantor warrants that the proceeds of the loan ~~represented by the deed of trust~~ this trust deed are:  
(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 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.)

(ORS 93.490)

STATE OF OREGON, )  
County of Jackson ) ss.  
June 16, 19 82  
Personally appeared the above named  
Robert William Charles  
and Marjorie A. Charles

STATE OF OREGON, County of \_\_\_\_\_ ) ss.  
\_\_\_\_\_, 19\_\_\_\_\_  
Personally appeared \_\_\_\_\_ and \_\_\_\_\_  
who, each being first  
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:

and acknowledged the foregoing instrument (to be) their voluntary act and deed.  
Before me:  
(OFFICIAL SEAL)  
Notary Public for Oregon  
My commission expires: 11-18-84

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

TRUST DEED

(FORM No. 881-1)

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

Robert William Charles  
Marjorie A. Charles  
Grantor  
Crocker National Bank  
Beneficiary

SPACE RESERVED  
FOR  
RECORDER'S USE

AFTER RECORDING RETURN TO  
Crocker National Bank  
1440 S. Harbor Blvd.  
Fullerton, CA 92632  
Attn: Michael Sullins

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/leaf/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.

By \_\_\_\_\_ TITLE \_\_\_\_\_ Deputy

PORTRAIT WORLD, INC.  
(Borrower(s) Name(s))

Three Million Two Hundred Thousand & no/100\* \* \* \* \* Dollars (\$ 3,200,000.00)  
Continuing Liability Principal Amount

1. For valuable consideration, the undersigned (hereinafter called Guarantors) jointly and severally unconditionally guarantee the payment when due, upon maturity, acceleration or otherwise, of any and all indebtedness of the above named Borrower(s) (hereinafter called Borrowers) to the above-named Bank (hereinafter called Bank). If any or all indebtedness of Borrowers to Bank becomes due and payable hereunder, Guarantors jointly and severally unconditionally promise to pay such indebtedness to Bank, or order, on demand, in lawful money of the United States. The word "indebtedness" is used herein in its most comprehensive sense and includes any and all advances, debts, obligations and liabilities of Borrowers, or any one or more of them, heretofore, now, or hereafter made, incurred or created, whether voluntary or involuntary and however arising, absolute or contingent, liquidated or unliquidated, determined or undetermined, whether or not such indebtedness is from time to time reduced, or extinguished and thereafter increased or incurred, whether Borrowers may be liable individually or jointly with others, whether or not recovery upon such indebtedness may be or hereafter become barred by any statute of limitations, and whether or not such indebtedness may be or hereafter become otherwise unenforceable.

2. Guarantors jointly and severally unconditionally guarantee the payment of any and all indebtedness of Borrowers to Bank whether or not due or payable by Borrower upon (a) the death, dissolution, insolvency or business failure of, or any assignment for benefit of creditors by, or commencement of any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceedings by or against, Borrowers or Guarantors, or (b) the appointment of a receiver for, or the attachment, restraint of or making or levying of any order of court or legal process affecting, the property of Borrowers or Guarantors, and jointly and severally unconditionally promise to pay such indebtedness to Bank, or order, on demand, in lawful money of the United States.

3. The joint and several liability of Guarantors hereunder shall not exceed at any one time the sum of (a) the amount shown above as Continuing Liability Principal Amount for principal, (b) all interest upon such part of the indebtedness as shall not exceed the foregoing limitation, and (c) attorneys' fees, costs and expenses as provided in paragraph 9 hereof. This guaranty may be terminated as to future transactions and as to such Guarantors only as give written notice thereof to Bank, and such notice shall be deemed to be effective as of noon of the next succeeding business day following receipt thereof by Bank at its above branch. No such notice shall release Guarantors, whether or not giving such notice, from any liability as to any indebtedness which may be owing to or held by Bank or in which Bank may have an interest or for which Bank may be obligated at the time of receiving such notice, and all extensions and renewals thereof. The liability of Guarantors hereunder is exclusive and independent of any security for or other guaranty of the indebtedness of Borrowers, whether executed by Guarantors or by any other party, and the liability of Guarantors hereunder is not affected or impaired by (a) any indebtedness exceeding Guarantors' liability, or (b) any direction of application of payment by Borrowers or by any other party, or (c) any other continuing or other guaranty, undertaking or maximum liability of Guarantors or of any other party as to the indebtedness of Borrowers, or (d) any payment on or in reduction of any such other guaranty or undertaking, or

(e) any notice of termination hereof as to future transactions given by, or by the death or termination, revocation or release of any obligations hereunder of, any other of the Guarantors or (f) any dissolution, termination or increase, decrease or change in personnel of any Guarantors, or (g) any payment made to Bank on the indebtedness which Bank repays to Borrowers pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and Guarantors waive any right to the deferral or modification of Guarantors' obligations hereunder by reason of any such proceeding.

4. The obligations of Guarantors hereunder are joint and several, and independent of the obligations of Borrowers, and a separate action or actions may be brought and prosecuted against Guarantors whether or not action is brought against Borrowers and whether or not Borrowers be joined in any such action or actions. Guarantors waive, to the fullest extent permitted by law, the benefit of any statute of limitations affecting their liability hereunder or the enforcement thereof. Any payment by Borrowers or other circumstance which operates to toll any statute of limitations as to Borrowers shall operate to toll the statute of limitations as to Guarantors. Any of Guarantors who is a married person agrees that recourse may be had against his or her separate property for his or her obligations hereunder.

5. Guarantors authorize Bank (whether or not after revocation or termination of this guaranty), without notice or demand (except as shall be required by applicable statute and cannot be waived), and without affecting or impairing their liability hereunder, from time to time to (a) renew, compromise, extend, increase, accelerate or otherwise change the time for payment of, or otherwise change the terms of the indebtedness or any part thereof, including increase or decrease of the rate of interest thereon; (b) take and hold security for the payment of this guaranty or the indebtedness and exchange, enforce, waive and release any such security; (c) apply such security and direct the order or manner of sale thereof as Bank in its discretion may determine; and (d) release or substitute any one or more endorsers. Guarantors, Borrowers or other obligors. Bank may without notice assign this guaranty in whole or in part.

6. It is not necessary for Bank to inquire into the capacity or powers of Borrowers or the officers, directors, partners or agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder, and if one or more of the Borrowers is a partnership, the word "Borrowers" and "indebtedness" as used herein include all successor partnerships and liabilities thereof to Bank.

7. Any indebtedness of Borrowers now or hereafter held by Guarantors is hereby subordinated to the indebtedness of Borrowers to Bank; and such indebtedness of Borrowers to Guarantors if Bank so requests shall be collected, enforced and received by Guarantors as trustees for Bank and be paid over to Bank on account of the indebtedness of Borrowers to Bank but without affecting or impairing in any manner the liability of Guarantors under the other provisions of this guaranty. Any instruments now or hereafter evidencing any indebtedness of Borrowers to the undersigned shall be marked with a legend that the same are subject to this guaranty and, if Bank so requests, shall be delivered to Bank.

8. Guarantors waive any right to require Bank to (a) pro-

ceed against Borrowers or any other party; (b) proceed against or exhaust any security held from Borrowers; or (c) pursue any other remedy in Bank's power whatsoever. Guarantors waive any defense based on or arising out of any defense of Borrowers other than payment in full of the indebtedness, including without limitation any defense based on or arising out of the disability of Borrowers, or the unenforceability of the indebtedness or any part thereof from any cause, or the cessation from any cause of the liability of Borrowers other than payment in full of the indebtedness. Bank may, at its election, foreclose on any security held by Bank by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, or exercise any other right or remedy Bank may have against Borrowers, or any security, without affecting or impairing in any way the liability of Guarantors hereunder except to the extent the indebtedness has been paid. Guarantors waive any defense arising out of any such election by Bank, even though such election operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of Guarantors against Borrowers or any security. Until all indebtedness of Borrowers to Bank shall have been paid in full, even though such indebtedness is in excess of Guarantors' liability hereunder, Guarantors shall have no right of subrogation, and waive any right to enforce any remedy which Bank now has or may hereafter have against Borrowers, and waive any benefit of, and any right to participate in any security now or hereafter held by Bank. Guarantors waive all presentments, demands for performance, protests and notices, including without limitation notices of nonperformance, notices of protest, notices of dishonor, notices of acceptance of this guaranty, and notices of the existence, creation or incurring of new or additional indebtedness. Guarantors assume all responsibility for being and keeping themselves informed of Borrowers' financial condition and assets, and of all other circumstances bearing upon the risk of nonpayment of the indebtedness and the nature, scope and extent of the risks which Guarantors assume and incur hereunder, and agree that Bank shall have no duty to advise Guarantors of information known to it regarding such circumstances or risks.

9. In addition to the amounts guaranteed hereunder, Guarantors jointly and severally agree to pay reasonable attorneys'

fees and all other costs and expenses incurred by Bank in enforcing this guaranty or in any action or proceeding arising out of, or relating to, this guaranty. In all cases where there is but a single Borrower or a single Guarantor, then all words used herein in the plural shall be deemed to have been used in the singular where the context and construction so require; and when there is more than one Borrower named herein, or when this guaranty is executed by more than one Guarantor, the word "Borrower" and the word "Guarantors" respectively shall mean all and any one or more of them. This guaranty and the liability and obligations of Guarantors hereunder are binding upon Guarantors and their respective heirs, executors, administrators, successors and assigns, and inures to the benefit of and is enforceable by Bank and its successors, transferees, and assigns.

10. In addition to all liens upon, and rights of setoff against the moneys, securities or other property of Guarantors given to Bank by law, Bank shall have a lien upon and a right of setoff against all moneys, securities and other property of Guarantors now or hereafter in the possession of or on deposit with Bank, whether held in a general or special account or deposit, or for safekeeping or otherwise; and every such lien and right of setoff may be exercised without demand upon or notice to Guarantors.

11. No right or power of Bank hereunder shall be deemed to have been waived by any act or conduct on the part of Bank, or by any neglect to exercise such right or power, or by any delay in so doing; and every right or power shall continue in full force and effect until specifically waived or released by an instrument in writing executed by Bank.

12. This guaranty shall be deemed to be made under and shall be governed by the laws of the State of California in all respects, including matters of construction, validity and performance, and the terms and provisions hereof may not be waived, altered, modified or amended except in writing duly signed by an authorized officer of Bank and by Guarantors.

13. If any of the provisions of this guaranty shall contravene or be held invalid under the laws of any jurisdiction, this guaranty shall be construed as if not containing those provisions and the rights and obligations of the parties hereto shall be construed and enforced accordingly.

IN WITNESS WHEREOF, the undersigned Guarantors have executed this guaranty

on 6-16, 1982.

Robert Charles  
Robert Charles

Marjorie A. Charles  
Marjorie A. Charles

STATE OF OREGON; COUNTY OF KLAMATH; ss

I hereby certify that the within instrument was received and filed for record on the 23 day of June, A.D., 1982 at 1:44 o'clock P M and duly recorded in Vol. M 82, of Mtge on page 7987

FEE \$16.00

EVELYN BIEHN COUNTY CLERK  
by Joyce Mc Deputy