

THIS TRUST DEED, made this 5th day of December,
DONALD A. CLAUNCH and ZINA F. CLAUNCH, husband and wife.

as Trustee, and
as Grantor, ASPEN TITLE & ESCROW, INC., an Oregon corporation
STEVEN A. MITCHELL and SHARON K. MITCHELL, husband and wife with full rights of
survivorship.
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"

THIS TRUST DEED IS A SECOND TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO
A FIRST MORTGAGE IN FAVOR OF STATE OF OREGON, REPRESENTED AND ACTING BY THE DIRECTOR
OF VETERANS' AFFAIRS.

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.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final payment 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 thereto herein, shall become immediately due and payable.

To protect the security of this trust deed, grantor agrees
1. To protect, preserve and maintain said property in an good condition
and repair, and to remove or demolish any building or improvement thereon
not to submit or permit any waste of said property.
2. To complete or restore, reconstruct, or add to any and/or maintain
manner any building or improvement which may be constructed, damaged or
destroyed therein and pay expenses all incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, condi-
tions and restrictions affecting said property, if the beneficiary so requires,
in executing such indentures pursuant to the Uniform Common
Code as the beneficiary may require and to pay for the same in the
proper public office or offices, as well as the cost of all expenses made
by building, erecting or managing, advertising as may be deemed desirable by
the beneficiary.
4. To furnish the maximum insurance on the buildings

not sue or have an action or cause of action against the trustee for any act done pursuant to such notice.

5. To keep said premises free from liens, encumbrances and charges, taxes, assessments and other charges that may be levied or assessed upon against said property before and after such taxes, assessments and other charges become payable by the grantor and promptly collect and pay such taxes, assessments, insurance premiums, items of other charges payable by grantor, either by direct payment or by providing a beneficiary with funds with whom 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 mentioned hereto, together with the obligations described in paragraphs 3 and 4 of this trust deed, shall be held by 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 herein set forth, or 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 amounts shall be immediately due and payable upon our notice, and the compensation thereto shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and terminate this trust deed.

4. 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 organization and trustees and attorney's fees.

It is mutually agreed that
In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, the lessee shall have the right, if it so elects, to require that all or any portion of the amount payable as compensation for such taking which are in excess of the amount required to pay all reasonable costs, expenses and attorney fees necessary to defend the claim in such proceedings, shall be paid to the lessor and applied by it first in any reasonable costs and expenses and attorney fees both in the trial and appellate courts necessarily had or incurred by the lessee in such proceedings, and the same shall be applied upon the instrument secured hereby, and grantor agrees at its own expense to take such action as may be necessary in obtaining such

1. Number of grazing purposes
a. content of the grazing and management plan, including criteria for determining and statement of creating and defining the unit of grazing, subdivision, and other agreement areas; the period of the unit of grazing, the objectives without which current and future grazing activities will not be carried on in any reasonable manner, the methods of protection against overgrazing and threats, and the responsibilities of the owner or lessee for the enforcement power of the trustee.

12 Upon default by grantor in payment of any indebtedness secured
hereby or in his performance of any agreement hereunder the beneficiaries may
declare all sums secured hereby immediately due and payable. In such
event the beneficiaries of this instrument shall have the right to cancel this trust deed
as equity requires or to take such other action as they may deem necessary to protect
the interest and rights of the beneficiaries in this trust. The beneficiaries shall have the right
to sue and cause to be recovered his written note of default and his costs
to sell the said dwelling house and lot or any other property held by him under
hereby, whereupon the trustee shall be the lessor and the sole trustee of
thereon as then required by law and proceed to exercise the powers given
him by this trust deed.

then after default as may be provided by the date set by the trustee for the trustee, and the trustee or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and obligation incurred thereby, including costs and expenses actually incurred in enforcing the terms of the obligation and trustees, and attorney's fees not exceeding the amounts provided by law, other than such portion of the same as may not then be due before default, incurred, and thereby the default, in which event all the seizure proceedings shall be discontinued.

the trustee. 14. Otherwise, the sale shall be settled on the date and at the time place designated in the instrument creating the trust, or which shall be provided in the instrument creating the trust, unless otherwise directed in writing in a part of or in separate parcels, and the sale of each parcel or parcels in the highest bid by the bidder, and the date of sale, shall be determined by the time of sale. 15. The trustee shall deliver to the purchaser the deed or documents required by law or as may be provided. The records, the deed or any matters of fact shall be concluded and closed, and any person, excepting the trustee, but includ-

15. When trustee sells or partakes in the property provided herein, he shall apply the proceeds of sale to payment of all the expenses of sale, including the compensation of the trustee and a reasonable charge for attorney's fees. In the event of a sale made by the trustee, he shall be entitled to receive one-half percent of the interest of the trustee, and the balance, one-half percent of the interest of the grantor, and the balance, one-half percent of the interest of an interest entity of the grantor.

17. Trustee accepts this trust when the last duly executed acknowledgement is made a public record as provided by law. Trustee may accept, reject, or pending acceptance under any other circumstances.

NOTE THAT DEED AND PROOF ARE THAT THE TRUSTEE OR BORROWER MUST BE EITHER AN ATTORNEY WHO IS AN OFFICER OF THE TRUST, OR A SAVINGS AND LOAN ASSOCIATION AUTHORIZED TO DO BUSINESS UNDER THE LAWS OF OREGON OR THE UNITED STATES, OR A TRUST COMPANY WHOSE ZOD TO INVEST IN THE STATE OF OREGON IS APPROVED BY THE DEPARTMENT OF BANKS, OR AN AGENT OR SUBAGENT OF ANY OF THE FOREGOING.

20521

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, insures 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 term of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath)
December 6 , 19 84)
)

Personally appeared the above named
Donald A. Claunch and Zina E.
Clausen

I, the undersigned, being the foregoing instrument
to be my voluntary act and deed.

(OFFICIAL
SEAL) *Donald A. Claunch*
Notary Public for Oregon

My commission expires

3-22-85

STATE OF OREGON, County of

, 19)
)

Personally appeared
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 this instrument together with said trust deed, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you) 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. 841)

STEVENS-NESS FORM NO. 841
RECORDED IN BOOK REEL VOLUME NO. 11
PAGE NO. 111

Donald A. Claunch

Zina E. Claunch

Grantor

SPACE RESERVED

FOR
RECORDED USE

Steven A. Mitchell
Sharon K. Mitchell

STATE OF OREGON,

County of _____, 1985

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 file/instrument/
microfilm reception No. _____
Record of Mortgages of said County.

Witness my hand and seal of
County attized.

NAME _____ TITLE _____
By _____ Deputy _____

Beneficiary
AFTER RECORDING RETURN TO
Aspen Title & Escrow, Inc.

EXHIBIT "A"

PARCEL 1:

A tract of land situated in the Southwest quarter of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at an iron pin on the East boundary of the County Road, said point being South 1,216 feet and East 35 feet from the West quarter corner of said Section 20; thence South, along the East boundary of the County Road, 200 feet to an iron pin; thence East 269 feet to an iron pin on the Southwest boundary of K.I.D. No. 2 Drain; thence North 27° 20' West, along the Southwest boundary of K.I.D. No. 2 Drain, 225.2 feet to an iron pin; thence West 165.3 feet, more or less, to the point of beginning.

PARCEL 2:

Beginning at the Southwest corner of Section 20, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon; thence Northerly 1561.35 feet; thence Easterly to Klamath Irrigation District Drainage No. 2 boundary; thence South-easterly, along the K.I.D. Drainage No. 2 boundary, to the South boundary line of said Section 20; thence Westerly to the point of beginning,

EXCEPTING THEREFROM that certain tract of land, conveyed to Duane Blackman and Darlene Blackman, his wife, by deed dated May 27, 1959, and recorded in Volume 312 at page 646, Klamath County Deed Records.

STATE OF OREGON,)
County of Klamath)
Filed for record at request of

on this 7th day of December A.D. 1961
at 1:45 o'clock P.M. and do
recorded in Vol. 20522 c. 115
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EVELYN BIEHN, County Clerk
By Patricia Smith, Deputy