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RECORDING REQUESTED BY

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Merrill Lynch Equity Management, Inc.

~~P.O. Box 1212, Stamford,~~
~~Connecticut 06904~~

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K-37513

DEED OF TRUST AND ASSIGNMENT OF RENTS

NOTICE: THIS DEED OF TRUST MAY SECURE BORROWINGS MADE BY AN OWNER OF THE PROPERTY EVEN AFTER SUCH OWNER SELLS THE PROPERTY

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS (herein "Deed of Trust") is made this 6th day of February, 1985, by and among the Trustor,

Virgil R. Wells and Artie N. Wells

(herein "Borrower"), TRANSAMERICA TITLE INSURANCE COMPANY, a California Corporation (herein "Trustee"), and the Beneficiary, Merrill Lynch Equity Management, Inc., a Delaware corporation whose address is Four Landmark Square, P.O. Box 1212, Stamford, Connecticut 06904 (herein "Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of Klamath, State of Oregon:

Legal description attached hereto and made a part hereof

which has the address of Star Route
Merrill Oregon 97632 (herein "Property Address");

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

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property";

To Secure to Lender the repayment of the REVOLVING LINE OF CREDIT indebtedness evidenced by a Merrill Lynch Equity Access™ Agreement and Disclosure Statement ("Agreement") of even date herewith and by Borrower's Variable Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum of U.S. \$20,000.00, or so much thereof as may be advanced and outstanding, with interest thereon, providing for monthly installments of interest, with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable ten (10) years from the date thereof; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower contained herein and in the Agreement and the Note. The Agreement, Note and this Deed of Trust are collectively referred to as the "Credit Documents".

Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record. Borrower covenants that Borrower will neither take nor permit any action to subdivide the Property or otherwise change the legal description of the Property or any part thereof, or change in any way the condition of title of the Property or any part thereof.

Borrower acknowledges that the Note calls for a variable interest rate, and that the Lender may, prior to the expiration of the term of the Note, cancel future advances thereunder and/or require repayment of the outstanding balance under the Note. In this regard, the Note provisions set forth verbatim below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Note or to cancel future advances for reasons other than default by the Borrower.

MLEA 03-404.3-01/83 (OR)

The first three paragraphs of paragraph 3 of the Note, entitled "INTEREST (VARIABLE RATE)", provide as follows:

"The annual interest rate applied to the outstanding principal balance on this Note is calculated daily and is equal to the Prime Rate on that date plus two (2) percentage points. The Prime Rate for any given date is the highest of the "prime rates" quoted for that date by Citibank, N.A., Continental Illinois National Bank and Trust Company of Chicago, and Bank of America NT&SA, for short-term, unsecured commercial loans. If one or more of these banks ceases to quote a prime rate, the Prime Rate will be the higher of the prime rates quoted by the above named banks which continue to quote a prime rate. If none of the above named banks quotes a prime rate, then the prime rate of the largest (in terms of assets) bank headquartered in California quoting a prime rate will be used.

There is no maximum limit on increases in the annual interest rate, and decreases in the annual interest rate are mandatory as the Prime Rate declines. Conversely, if the Prime Rate increases, so will the annual interest rate. I understand that I will not be provided with any advance notice of changes in interest rates or the Prime Rate, except for changes in the method of calculating the annual interest rate as provided by paragraph 12 of the Merrill Lynch Equity Access Agreement and Disclosure Statement I have signed (the "Agreement").

I understand that the Note Holder will pay, on a daily basis and on my behalf, the banks issuing the Equity Access VISA® card(s) and checks for charges and checks paid by them on each day in amounts not to exceed my credit line. Interest for any such payments by the Note Holder on my behalf will be charged beginning on the date the Note Holder makes the payment or, in the case of checks, on the date they are presented for payment, and will continue until such payment has been repaid in full."

Paragraph 6 of the Note, entitled "CALL OPTION", provides in its entirety as follows:

"Without cause, Note Holder can either (a) cancel my right to any future advances under my line of credit, without requiring prompt repayment of my outstanding principal balance (that is, "freeze" the line), or (b) cancel my right to any future advances and also require prompt repayment of my outstanding principal balance plus accrued interest and other charges imposed on my credit line (that is, "terminate" the line).

Note Holder may do either of these things by giving me written notice of its election to do so. To be effective, the notice must be given within three (3) business days before or after either the fifth anniversary of my signing this Note or any subsequent anniversary date up until the tenth anniversary. The notice must be sent registered or certified mail, addressed to me at the Property's address (or such other address as I have given Note Holder). The notice will be deemed to have been given on the date it is deposited in the mail regardless of when I actually receive it.

If Note Holder gives me such a notice, my right to any future advances under my line of credit will expire as of 12:01 a.m., Pacific time, on the eleventh (11th) calendar day after the notice is given. For example, if the notice is given on May 15, my right to future advances will expire at 12:01 a.m. on May 26. If the notice specifies that Note Holder is terminating my line, rather than merely freezing it, I will be obligated to repay my outstanding principal balance, and all accrued interest and other charges imposed on my credit line, no later than one hundred and twenty (120) calendar days after the notice is given. If the notice specifies that Note Holder is freezing my line, rather than terminating it, I am not obligated to repay my outstanding principal balance until the Due Date; provided, however, that Note Holder will still have the right, in accordance with and at the times specified in this Note, to give me a subsequent notice terminating it entirely, thus advancing the date principal repayment is due."

COVENANTS. Borrower and Lender covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due, in accordance with the terms of the Note, the principal and interest on the indebtedness evidenced by the Note, together with any late charges and other charges imposed under the Note.

2. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender under the Note and this Deed of Trust shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 6 of this Deed of Trust, then to interest payable on the Note, then to other charges payable under the Agreement, and then to the principal of the Note.

3. PRIOR MORTGAGES AND DEEDS OF TRUST; CHARGES; LIENS. Borrower shall fully and timely perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Deed of Trust, including Borrower's covenants to make any payments when due. Borrower shall pay or cause to be paid, at least ten (10) days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property and all encumbrances, charges, loans, and liens (other than any prior first mortgage or deed of trust) on the Property which may attain any priority over this Deed of Trust, and leasehold payments or ground rents, if any. Borrower shall deliver to Lender, upon its request, receipts evidencing such payment.

4. HAZARD INSURANCE. Borrower shall, at its cost, keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards (collectively referred to as "Hazards") as Lender may require. Borrower shall maintain Hazard insurance for the entire term of the Note or for such other periods as Lender may require and in an amount equal to the lesser of (A) the maximum insurable value of the Property or (B) the amount of the line of credit secured by this Deed of Trust plus the outstanding amount of any obligation secured in priority over this Deed of Trust, but in no event shall such amounts be less than the amount necessary to satisfy the coinsurance requirement contained in the insurance policy.

The insurance carrier providing the insurance shall be chosen by Borrower, subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in

a form acceptable to Lender and shall include a standard mortgagee clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Deed of Trust. If Borrower makes the premium payment directly, Borrower shall promptly furnish to Lender all renewal notices and, if requested by Lender, all receipts of paid premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Lender within ten (10) calendar days after issuance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Deed of Trust, the amounts collected by Borrower or Lender under any Hazard insurance policy may, at Lender's sole discretion, either be applied to the indebtedness secured by this Deed of Trust (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by the Borrower, Lender and Trustee in this connection) and in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property, and Lender is hereby irrevocably authorized to do any of the above. Such application or release shall not cure or waive any default or notice of default under this Deed of Trust or invalidate any act done pursuant to such notice.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender in writing within thirty (30) calendar days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at Lender's sole option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

If the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall use, improve and maintain the Property in compliance with the law, shall keep the Property in good condition and repair, including the repair or restoration of any improvements on the Property which may be damaged or destroyed, shall not commit or permit waste or permit impairment or deterioration of the Property, and shall fully and promptly comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall promptly perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents, all as may be amended from time to time. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

6. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust or in the Credit Documents, or if any action or proceeding is commenced which affects Lender's interest in the Property or the rights or powers of Lender or Trustee, then Lender or Trustee without demand upon Borrower but upon notice to Borrower pursuant to paragraph 11 hereof, may, without releasing Borrower from any obligation in this Deed of Trust, make such appearances, defend the action or proceeding, disburse such sums, including reasonable attorneys' fees, and take such action as the Lender or Trustee deem necessary to protect the security of this Deed of Trust. If Lender has required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender (or Trustee unless otherwise provided or agreed upon by Borrower) pursuant to this paragraph 6, with interest thereon at the rate from time to time in effect under the Note, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree, in writing, to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 6 shall require Lender or Trustee to incur any expense or take any action hereunder and any action taken shall not release Borrower from any obligation in this Deed of Trust.

7. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that, except in an emergency, Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Lender is hereby irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this Deed of Trust for disposition or settlement of proceeds of Hazard insurance. No settlement for condemnation damages shall be made without Lender's prior written approval.

9. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER. Extension of the time for payment, acceptance by the Lender of payments other than according to the terms of the Note, or modification in payment terms of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower, Borrower's successors in interest, or

any guarantor or surety thereof. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify payment terms of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest. Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender. Any such waiver shall apply only to the extent specifically set forth in the writing. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event. The procurement of insurance or the payment of taxes, other liens or charges by Lender shall not be a waiver of Lender's right as otherwise provided in this Deed of Trust to accelerate the maturity of the indebtedness secured by this Deed of Trust in the event of Borrower's default under this Deed of Trust or the other Credit Documents.

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) shall be joint and several. Any Borrower who co-signs this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof. In this Deed of Trust, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

11. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) provided for in this Deed of Trust shall be given by hand delivering it to, or by mailing such notice by registered or certified mail addressed to, Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) may designate by written notice to Lender as provided herein, and (b) any notice to Lender shall be given by registered or certified mail to Lender at P. O. Box 87411, San Diego, California 92138 or to such other address as Lender may designate by written notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) which have provided Lender with written notice of their existence and address) as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given on the date hand delivery is actually made or the date notice is deposited into the U.S. mail system as registered or certified mail addressed as provided in this paragraph 11.

12. GOVERNING LAW; SEVERABILITY. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Deed of Trust. If any provision of this Deed of Trust shall be adjudged invalid, illegal, or unenforceable by any court, such provision shall be deemed stricken from this Deed of Trust and the balance of the Deed of Trust shall be construed as if such provision had never been included. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. BORROWER'S COPY. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

14. REMEDIES CUMULATIVE. Lender may exercise all of the rights and remedies provided in this Deed of Trust and in the Credit Documents, or which may be available to Lender by law, and all such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together, at Lender's sole discretion, and may be exercised as often as occasion therefor shall occur.

15. EVENTS OF DEFAULT.

a. Notice and Grace Period. An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Lender gives written notice to Borrower of Borrower's breach or violation of Borrower's covenants under any of the Credit Documents and upon Borrower's failure to cure such breach or violation during that grace period, if any. If there is no grace period applicable to a particular breach or violation, the Event of Default will occur hereunder upon the giving of the above notice. Such notice shall be given to Borrower in accordance with paragraph 11 hereof and shall contain the following information: (1) the nature of Borrower's breach or violation; (2) the action, if any, required or permitted to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation must be cured; and (4) that failure to cure within the specified grace period, if any, will result in acceleration of the sums secured by this Deed of Trust and the potential sale of the Property. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate his revolving line of credit under this Deed of Trust after acceleration and the right to bring a court action to assert the nonexistence of an Event of Default or any other defense of Borrower to acceleration and sale.

b. Defaults. In addition to the Event of Default caused by sale or transfer of, or promise to sell or transfer, all or any part of the Property, or any interest therein, which event is specifically covered in paragraph 16 hereof, set forth below is a list of events which, upon the lapse of the applicable grace period, if any, will constitute Events of Default. (Applicable grace periods are set forth parenthetically after each event.) The events are: (1) Borrower fails to pay when due any amounts due under the Credit Documents (thirty (30) day grace period); (2) Borrower fails to keep the covenants and other promises made in paragraphs 2 and 5 of the Agreement (no grace period); (3) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application or made any false or misleading statements on Borrower's credit application (no grace period); (4) Borrower dies or changes his or her marital status and transfers Borrower's interest in the Property to someone who either (i) is not also a signatory of all

the Credit Documents (no grace period) or (ii) is a signatory of the Credit Documents if such transfer, in Lender's reasonable judgment, materially impairs the security for the line of credit described in the Credit Documents (no grace period); (5) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against Borrower and not dismissed within sixty (60) calendar days, under any provision of any state or federal bankruptcy law in effect at the time of filing (no grace period); (6) Borrower makes an assignment for the benefit of his or her creditors, becomes insolvent or becomes unable to meet his or her obligations generally as they become due (no grace period); (7) Borrower further encumbers the Property, or suffers a lien or encumbrance to be filed against the Property, which lien or encumbrance in Lender's reasonable judgment jeopardizes Lender's security for the line of credit described in the Note and Agreement (thirty (30) day grace period in which to remove the lien or encumbrance); (8) Borrower defaults under any credit instrument or deed of trust evidencing or securing a loan to Borrower which loan has priority in right of payment over the line of credit described in the Credit Documents or whose lien has or appears to have any priority over the lien hereof (no grace period), or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property (no grace period); (9) Borrower fails to keep any other covenant contained in any of the Credit Documents not otherwise specified in this paragraph 15 (ten (10) day grace period, unless the failure is by its nature not curable, in which case no grace period or, if another grace period is specified in the Credit Documents, that grace period shall prevail).

In each case, the grace period begins to run on the day after the notice is given, and expires at 11:59 p.m., Pacific time, on the last day of the period. All grace periods are expressed in calendar days, not business days. If Borrower has not (i) cured the violation within the applicable period, and (ii) provided Lender, within such period, with evidence reasonably satisfactory to Lender of such cure, then Lender may, at its sole option, exercise its rights of acceleration and any other rights or remedies as provided by paragraph 17 below.

16. TRANSFER OF THE PROPERTY. If Borrower sells or transfers, or promises to sell or transfer, all or any part of the Property or any interest therein without Lender's prior written consent, such event shall constitute an Event of Default hereunder and under the Note upon Lender's giving Borrower notice of the violation in the manner set forth in paragraph 11. Any use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement and the Note after Borrower's sale, transfer, or promise to sell or transfer the Property or any interest therein shall constitute the basis of a separate Event of Default.

As an alternative to declaring all sums secured by this Deed of Trust to be immediately due and payable, Lender may waive its option to accelerate and agree in writing, prior to close of the sale or transfer or the promise to sell or transfer, to the transferee's assumption of the outstanding obligation under the Note, on terms satisfactory to Lender, subject to Lender's right to cancel further advances or accelerate the outstanding balance of the line of credit described in paragraph 6 of the Note. Lender's acceptance of the transferee's assumption of the obligation under the Note shall not release Borrower from any of its obligations under the Note and Deed of Trust, and Borrower shall assume the status of the guarantor of the Note until paid in full. Borrower understands that the Lender will not permit the assumption of the outstanding balance under the Note in any event and will declare the entire outstanding principal balance plus accrued interest and other charges due to be immediately due and payable (see paragraph 17 hereof), unless (i) Borrower has submitted to Lender a written acknowledgement from the transferee that the transferee has received (a) a copy of each of the Credit Documents and (b) notice of the amount of Borrower's outstanding principal balance on the line of credit; (ii) Borrower has submitted to Lender a written acknowledgement from transferee that transferee has received such material and understands that Lender's security interest reflected by this Deed of Trust will remain on the Property until the entire outstanding principal balance of Borrower's line of credit as of the date of such sale or transfer or promise, plus any subsequent borrowings made under Borrower's line of credit before Lender has actual knowledge of the sale or transfer, together with accrued interest and other charges, is paid in full; (iii) Borrower causes to be submitted to the Lender from the transferee a loan application as required by the Lender so that Lender may evaluate the creditworthiness of the transferee as if a new loan were being made to the transferee; and (iv) Lender does not, in its sole opinion, believe that (A) its security will be impaired or (B) a breach of any promise or agreement in this Deed of Trust will occur or (C) such transfer will permit the acceleration of any loan which has priority in right of payment over the indebtedness evidenced by the Note. Further advances on the line of credit will cease as of the date of the written assumption agreement signed by transferee and Lender. The transferee and Borrower shall retain the right to repay the Note before the Due Date, in whole or in part, at any time without premium or penalty.

17. ACCELERATION; REMEDIES; BORROWER'S RIGHTS. Upon the existence of an Event of Default, Lender may, at its sole option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without further demand and may invoke the power of sale and any other remedies permitted by applicable law. If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice specifying, without limitation, the following: (1) the occurrence and nature of an Event of Default; (2) Lender's election to accelerate the debt evidenced by the Note and to cause the Property to be sold; and (3) Borrower's right, if any, under applicable law, to reinstate his revolving line of credit secured by this Deed of Trust and avoid sale of the Property. Lender shall cause such notice to be recorded in each county in which the Property or some part thereof is located, and shall have copies of such notice mailed to the persons and in the manner prescribed by applicable law.

Following the recording of the notice required above in this paragraph 17, Trustee shall give public notice of sale of the Property to the persons and in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, and Borrower's failure, within the time permitted under applicable law, to reinstate this Deed of Trust by paying to Lender all sums then due under, and the obligation secured by, this Deed of Trust together with all costs and expenses incurred by Lender and for which it is entitled to reimbursement, under applicable law, Trustee shall, without further demand or notice to Borrower, sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the public notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place

of any previously scheduled sale and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, the compensation of the trustee and reasonable attorneys' fees, all as and to the extent permitted by applicable law; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

18. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 17 hereof or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof, or abandonment, Lender, at any time without notice, in person, by agent or by judicially appointed receiver, and without regard to the adequacy of any security for the indebtedness secured by this Deed of Trust, shall be entitled to enter upon, take possession of, and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to such notice.

19. TRUSTEE'S ACTION. At any time and from time to time, without liability therefor and without notice, upon written request of Lender and Borrower, Trustee may consent to the making of any map or plat of the Property, join in granting any easement on the Property, join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof, or reconvey, without warranty, all or any part of the Property.

20. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall cancel the Note and reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

21. SUBSTITUTE TRUSTEE. Lender, at Lender's option, may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the recorder of the county where the Property is located. The instrument shall contain the name of the original Lender, Trustee and Borrower, the book and page where this Deed of Trust is recorded and the name and address of the successor trustee. The successor trustee shall, without conveyance of the Property, succeed to all the title, estate, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

22. REQUEST FOR NOTICES. Borrower requests that copies of any notice of default and notice of sale be addressed to Borrower and sent to the Property Address. Lender requests that copies of notices of default, sale and foreclosure from the holder of any lien which has priority over this Deed of Trust be sent to Lender's address, as set forth on page one of this Deed of Trust.

23. INCORPORATION OF TERMS. All of the terms, conditions and provisions of the Agreement and Note are by this reference incorporated herein as if set forth in full. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder, without further notice to Borrower.

24. TIME OF ESSENCE. Time is of the essence in this Deed of Trust, and the Note and Agreement.

25. ACTUAL KNOWLEDGE. For purposes of this Deed of Trust and each of the other Credit Documents, Lender will not be deemed to have received actual knowledge of information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at P.O. Box 87411, San Diego, California 92138 (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Credit Documents, Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

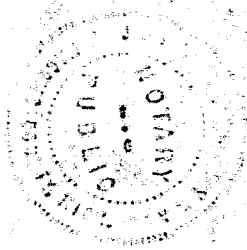
26. TAXES. In the event of the passage after the date of this Deed of Trust of any law changing in any way the laws now in force for the taxation of mortgages or trust deeds, or debts secured thereby, or the manner of operation of such taxes, so as to effect the interest of the Lender, then and in such event Borrower shall pay the full amount of such taxes.

Virgil R. Wells
Virgil R. Wells

Artie N. Wells 2363
Artie N. Wells

STATE OF ~~OREGON~~ MICHIGAN }
COUNTY OF MACOMB } ss.

The foregoing instrument was acknowledged before me this 6 February 1985 by VIRGIL R. Wells
Artie N. Wells



John W. Kostka
Notary Public for ~~Oregon~~ Michigan

My Commission Expires: JOHN W. KOSTKA
Notary Public, Macomb County, Mich.
My Commission Expires Oct 15, 1988

REQUEST FOR FULL RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the Note secured by this Deed of Trust. Said Note, together with all other indebtedness secured by this Deed of Trust, has been paid in full. You are hereby directed to cancel said Note and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated: _____

Legal Description

2364

---A parcel of land situate in Government Lot 17 Section 14, Township 41 South, Range 11 East of the Willamette Meridian, being more particularly described as follows:

Beginning at a one-half inch iron pin located at the intersection of the Northerly right of way line of the U. S. R. S. "J" Canal and the North line of said Government Lot 17 from which the Northeast corner of said Section 14 bears East, 115.80 feet; thence West along said North line of Government Lot 17, 790.97 feet to a one-half inch iron pin; thence leaving said North line South, 408.51 feet to a one-half inch iron pin on the Northerly right of way line of the said "J" canal; thence North $61^{\circ}10'40''$ East along said right of way line, 712.61 feet to a one-half inch iron pin; thence along the arc of a 682.96 foot radius curve to the right ($\Delta=15^{\circ}02'54''$; Long Chord=North $68^{\circ}42'07''$ East, 178.86 feet), 179.37 feet to the point of beginning.---

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

on this 15th day of February A.D. 19 85
at 2:16 o'clock P M, and duly
recorded in Vol. M85 of Mortgages
Page 2357

EVELYN BIEHN, County Clerk

By [Signature] Deputy

Fee 33.00