

TRUST DEED

THIS TRUST DEED, between RONALD C. FRIESEN and SHARON K. FRIESEN, Husband and Wife, Grantor, KLAMATH COUNTY TITLE COMPANY, Trustee, and PHIL E. SCHROEDER, Personal Representative of the Estate of GERTRUDE M. SCHROEDER, Deceased, Beneficiary:

WITNESSETH, Grantor conveys to Trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

Lot 15 in Block 17 of Hillside 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.

which real property is not currently used for agricultural, timber, or grazing purposes, together with all appurtenances, tenements, hereditaments, rents, issues, profits, water rights, easements or privileges now or hereafter belonging to, derived from, or in any way pertaining to the above described premises.

This deed is intended to secure the payment of a promissory note, a copy of which is attached hereto, marked Exhibit "A" and incorporated herein by reference.

Grantor hereby covenants to and with Trustee and Beneficiary that he is lawfully seized in fee simple of said premises and has a valid, unencumbered title thereto, and will warrant and forever defend the same against all persons.

Grantor agrees (1) that he will pay said note according to the terms thereof; (2) that he will pay all taxes, assessments and other charges which may be levied or assessed against said property when due; (3) that he will promptly discharge all liens against said property which are superior to the lien of this Trust Deed; (4) that he will keep the buildings now on or which may hereafter be erected on the premises insured in favor of the Beneficiary against loss or damage by fire, with extended coverage, in the sum of \$100,000 in a company acceptable to Beneficiary, and will name Beneficiary as an additional insured as his interest may appear; (5) that he will keep the building and improvements on said premises in good repair and will not commit or suffer any waste of the premises.

Upon written request of Beneficiary, 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 hereof; (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 in this paragraph shall be in an amount fixed by statute, if there be a statute governing the same, or otherwise a reasonable amount.

Time is of the essence hereof and upon default by Grantor in the payment of said note or in the performance of any covenant herein, Beneficiary may declare all sums secured hereby immediately due and payable and may deliver to Trustee a written notice of default and election to sell the property. Upon delivery of said notice of default and election to sell, Beneficiary shall

deposit with Trustee this deed of trust and all promissory notes and documents evidencing expenditures secured hereby, whereupon Trustee shall fix the time and place of sale and give notice thereof as then required by law.

Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law.

This Trust Deed inures to the benefit of and binds the parties hereto, their heirs, devisees, administrators, executors, successors and assigns.

Whenever the context so requires, the masculine includes the feminine and/or neuter, and the singular includes the plural.

IN WITNESS WHEREOF, Grantor has hereunto set his hand, or if a corporation, has caused these presents to be duly executed by authority of its Board of Directors, all on the day and year first above written.

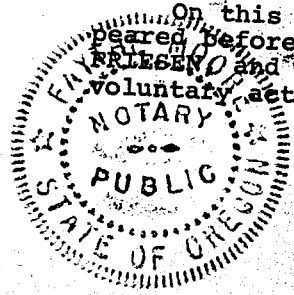
Ronald C. Friesen
RONALD C. FRIESEN

Sharon K. Friesen
SHARON K. FRIESEN

STATE OF OREGON)
County of Klamath) ss.

On this 3rd day of February, 1986, personally appeared before me the above named RONALD C. FRIESEN and SHARON K. FRIESEN and acknowledged the foregoing Trust Deed to be their voluntary act and deed.

Lynthe Moore
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8/27/87



PROMISSORY NOTE

2084

\$46,500.00

Klamath Falls, Oregon February 1, 1986

RONALD C. FRIESEN and SHARON K. FRIESEN, husband and wife, jointly and severally promise to pay to the order of PHIL E. SCHROEDER, Personal Representative of the Estate of GERTRUDE M. SCHRODER, Deceased, at Klamath Falls, Oregon, the sum of FORTY-SIX THOUSAND FIVE HUNDRED DOLLARS (\$46,500.00) with interest thereon at the rate of ten percent (10%) per annum from February 1, 1986, payable in monthly installments of not less than \$400.00 in any one payment; interest to be paid monthly, and if not so paid, all principal and interest, at the option of the holder of this note, to become immediately due and collectible. The first payment to be on the 5th day of February, 1986, and a like payment on the 5th day of each month thereafter, until the whole sum, principal and interest has been paid. Any part hereof may be paid at any time. If this note is placed in the hands of an attorney for collection, we promise and agree to pay holder's reasonable attorney fees and collection costs, even though no suit or action is filed hereon; if a suit or an action is filed, the amount of such reasonable attorney fees shall be fixed by the court or courts in which the suit or action, including any appeal therein, is tried, heard or decided.

/s/ RONALD C. FRIESEN
RONALD C. FRIESEN

/s/ SHARON K. FRIESEN
SHARON K. FRIESEN

After Recording Return to:
KCTC - Collection Escrow #

EXHIBIT "A"

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of February A.D. 19 86 at 11:17 o'clock A M., and duly recorded in Vol. _____ day
of Mortgages on Page 2082

FEE \$13.00

Evelyn Biehn County Clerk

By Berntha J. Letch