

THIS TRUST DEED, made this 8th day of December, 1986, between
TOWLE PRODUCTS, INC., a California corporation

as Grantor, MOUNTAIN TITLE COMPANY of Klamath County, as Trustee, and
DAVID P. ERICKSON and ELAINE J. ERICKSON, husband & wife as
Tenants by its Entirety
as Beneficiary,

WITNESSETH:

WITNESSETH:

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 26, Block 100, Klamath Falls Forest
Estates Highway 66 Unit, Plate No. 4,
as recorded in 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 THE PAYMENT OF THE SUM OF TWO THOUSAND AND NO/100 Dollars, with interest thereon according to the terms of a promissory note, the final payment of principal and interest hereof, it

note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of which is not to be due and payable until the maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note is due and payable.

The date of maturity of the debt secured by this instrument becomes due and payable.

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

To protect the security of this trust deed, grantor agrees:

To protect the security of this trust deed, grantor agrees:

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed 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 execute 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; and to continuously maintain insurance on the buildings owned by the beneficiary.

beneficiary. 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 and to the extent of the sum of \$100,000.00, written in and to the order of the beneficiary, with loss payable to the latter, and amount not less than \$100,000.00.

[illegible]

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 said property before any part of such taxes, assessments and other charges are due, to promptly deliver receipts therefor to the owner of said property.

taxes, assessments and other charges become past due and delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payments by grantor, interest on such taxes, assessments, liens or other charges payable by grantor, shall be paid by direct payment, beneficiary may, at his option, make payment therefor 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 grantor hereby binds himself, his heirs, assigns and assigns, as well as the grantor, shall be bound to the payment of the obligation hereunder and all such payments shall be immediately due and payable without notice, and all such payments thereof shall, at the option of the beneficiary, be secured by the nonpayment thereof immediately due and payable out of the principal and interest of this trust deed.

all sums secured by this trust deed.

6. To pay all costs, fees and expenses of the trustee incurred of title search as well as the other costs and expenses of the trustee in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

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 to acquire that all or any portion of the monies paid under the condemnation shall be paid to beneficiary in the amount of the

(a) consent to the making of any mortgage 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 any part of the property. The grantee (d) reconvey, without warranty, all or any part of the property as 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 foregoing shall not be less than \$5.

[illegible]

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.

waive any default or notice of default by the beneficiary 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 due and demandable hereby immediately due and payable. In such event the beneficiary at his election may proceed to foreclose this trust deed by exercising its mortgage or direct the trustee to foreclose this trust deed in equity as a mortgage on behalf of the beneficiary or the trustee shall advertise and cause to be recorded his written notice of default and his election to exercise and cause to be recorded his written notice to satisfy his obligation secondly to sell the said described real property at the time and place of sale, give notice thereof whereupon the trustee shall have 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 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts sale, the grantor or any other person so privileged by ORS 86.735, may cure the default or defaults. If the default consists of a failure to pay, the default or defaults. If the default, the default may be cured by paying the sums secured by the trust. If the time of the cure other than such portion of the entire amount due at no default occurred. Any other default that is capable not then be due had no default occurred. Any other default that is capable being cured by the trustee. In any case, in addition to curing the default obligation of the trust deed. In any case, in addition to curing the default defaults, the person effecting the cure shall be liable to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

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 sold to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed in form as required by law, convey to the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed 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.

the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, it shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the taxes due on the sale, and a reasonable charge by trustee for including the compensation of the trustee and the attorney, (3) to all other claims against the trust, (4) to the obligation secured by the trust deed, (5) to the interest of the trustee in the trust, (6) to the interest of the grantor or his heirs, (7) having recorded liens subsequent to the interest of the priority and (8) to the interest of the grantor or his successor in interest entitled to the surplus, if any, to the grantor or to his successor in interest entitled to the surplus, if any.

16. The trustee may from time to time appoint a successor or successors who shall hold office until the death of the trustee appointed.

16. Beneficiary may from time to time appoint a successor or successors to the trust. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon the trustee herein named or appointed hereunder. Each such appointment of a successor trustee shall be made by written instrument executed by beneficiary, and substitution shall be made by written instrument 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 obligated to notify any party hereto of pending sale under any other court order or judgment or of any action or proceeding in which grantor, beneficiary or trust or of any action or proceeding in which grantor, beneficiary or trust shall be a party unless such action or proceeding is brought by trustee.

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.

1969

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 or household purposes (see Important Notice below).~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial 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 use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF CALIFORNIA)
COUNTY OF SANTA CLARA) ss.

TOWLE PRODUCTS, INC., a California corporation

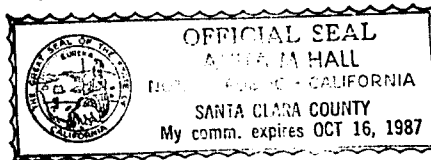
HOWARD PHILIP MARKS, President

KATHLEEN EMERY MARKS, Secretary

On December 8, 1986, before me, the undersigned, a Notary Public in and for said State, personally appeared HOWARD PHILIP MARKS, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the President, and KATHLEEN EMERY MARKS, personally known to me or proved to me on the basis of satisfactory evidence to be the person who executed the within instrument as the Secretary of the Corporation that executed the within instrument and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Notary Public



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

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. 881-1)

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

Towle Products, Inc.

Grantor

D.P. & E.J. Erickson

Beneficiary

AFTER RECORDING RETURN TO

D.P. & E.J. Erickson
6391 Sligo Circle
Huntington Beach, CA 92647

SPACE RESERVED
FOR
RECORDER'S USE

Fee, \$9.00

STATE OF OREGON,
County of Klamath

ss.

I certify that the within instrument was received for record on the 6th day of February, 1987, at 3:16 o'clock P.M., and recorded in book/reel/volume No. M87 on page 1968 or as fee/file/instrument/microfilm/reception No. 71153, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Sam Smith Deputy