THIS TRUST DEED, made this 15th day of May, 1972, between JAMES T. [illegible]

as Grantor, NORTH VISTA, INC., an Oregon Corporation, as Trustee, and FREDERICK E. LANGE, JR. and FRANCES I. LANGE, 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:

PARCEL 1: Lot 7, Block 71, SUNNY VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

PARCEL 2: Lots 8, 9 and 24, Block 71, SUNNY VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

THIS TRUST DEED IS SECOND AND INFERIOR TO THE TRUST DEED, DATED MAY 15, 1972, IN FAVOR OF FREDERICK E. LANGE, JR. and FRANCES I. LANGE, husband and wife.

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 therewith and not others.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of FIVE THOUSAND AND NO/100 ($5,000.00) Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable on MAY 15, 1982.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note 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 therein, or herein, shall become immediately 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:

1. To keep the 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 $[illegible] KLAMATH FALLS [illegible] in companies acceptable to the beneficiary, with the loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail to keep said premises free from mechanics' and other liens or claims of lien or to keep the buildings and improvements in good repair and condition, the beneficiary may cause the same to be done and paid for, at its option, any amount so paid shall be added to and become a part of the debt secured by this trust deed.

5. To keep and promptly pay when due all taxes, assessments, fees and other charges now or hereafter levied 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 of the same or any part thereof, when due and all such payments shall be immediately due and payable and bear interest at the rate set forth in the note secured hereby, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payment, 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 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 the event either shall elect to participate in any such 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 cost 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 money payable as compensation for such taking, which is 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 proceeding, 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 required in furtherance of the provisions set forth in this paragraph 8, including but not limited to, the execution of a separate judgment in any condemnation proceeding in the manner and form required by the beneficiary.

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 note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may [illegible]

10. The trustee may resign at its own election or be removed from office by beneficiary. Upon such resignation or removal and upon request of beneficiary, trustee shall appoint a successor trustee to the trustee herein named by an instrument recorded in the mortgage records of Klamath County, Oregon. The latter shall be vested with all powers and duties conferred upon trustee herein and in any [illegible]

11. 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.

[illegible]

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

Home

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.

Larry E. Smith

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 OREGON,
County of Klamath } ss.
The foregoing instrument was acknowledged before me this [illegible] 19[illegible], by Larry E. Smith.
[illegible]
Notary Public for Oregon
My commission expires 7-23-99

STATE OF OREGON,
County of ..... } ss.
The foregoing instrument was acknowledged before me this ..... 19..., by ..... of .....
Notary Public for Oregon
My commission expires ..... (SEAL)

REQUEST FOR FULL RECONVEYANCE

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)

Larry E. Smith

Grantor

Frederick A. Lange, Jr.

Trustee

Frederick A. Lange, Jr.

Beneficiary

After recording return to:

Aspen Title & Escrow, Inc.
540 Main Street
Klamath Falls, Oregon 97601

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 [illegible] day of [illegible], 19[illegible], at [illegible] o'clock [illegible] M., and recorded in book/reel/volume No. [illegible] on page [illegible] or as fee/file/instrument/microfilm/reception No. [illegible], Records of Klamath County.
Witness my hand and seal of County affixed.
[illegible] County Clerk
By [illegible] Deputy