THIS TRUST DEED, made this 21st day of May, 19 81, between STEVE ROBINSON and MARCIA L. ROBINSON, husband and wife

as Grantor, ASPEN TITLE & ESCROW, INC., an Oregon Corporation, as Trustee, and HUGH L. MITCHELL and SHIRLEY J. 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:

The Northerly 41 feet of Lots 595 and 597 in Block 111 of WILLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF DONALD L. [illegible].

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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 rent notes.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of FIFTY SEVEN THOUSAND AND NO/100----------($57,000.00)---------- 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 at maturity of Note.

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 protect, preserve and maintain said 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 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 $ 57,000.00, initially in a company or companies acceptable to the beneficiary, with 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 mechanic's liens and other liens or assessments, or insure the buildings or keep them in repair and pay water rents, insurance premiums, or other charges, or to furnish the beneficiary upon request proof of such payment, the beneficiary may purchase insurance and pay for maintenance of said property as deemed expedient. The amount collected under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such order as the beneficiary may determine, or at option of the beneficiary the entire amount so collected or any part thereof may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep and maintain free from encumbrances liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or 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 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 in this trust deed, without waiver of any rights arising from breach of any of the covenants herein and for such payment, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound for the payment of the obligations herein mentioned, and for such payment, when due, a separate action may be maintained against the grantor or any other person so liable and the property hereinbefore described, or any part thereof, may be foreclosed upon.

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 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 the beneficiary or trustee should elect to also appear in or defend any action or proceeding purporting to affect the security, rights or powers of beneficiary or trustee, to pay all costs and expenses, including cost of evidence of title and the beneficiary's or trustee's attorney's fees in a reasonable sum in any such action or proceeding, and in any suit brought by beneficiary to foreclose this trust deed, to pay all costs and expenses, including cost of evidence of title and the beneficiary's or trustee's attorney's fees in a reasonable sum to 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 monies payable as compensation for such taking, which are 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, expenses and attorney's fees both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, 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 necessary in obtaining such compensation, promptly upon beneficiary's request.

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 reconvey any part of said property; consent to the making of any map or plat of said property; join in granting any easement or creating and restating restrictions thereon; and in any reconveyance, may describe the grantee therein as "the person or persons legally entitled thereto." 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 mentioned in this paragraph shall be not less than $5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name or in the name of trustee, and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of said property, or part thereof, or interest in said property, including those past due and unpaid and accelerated payments and performance of any agreement contained herein, and in connection therewith, collect and receive the income, issues and profits of said property, with or without taking possession of said property. Beneficiary shall not be obligated to perform any act required of it as owner of said property if the grantor fails to do so, and the failure of beneficiary to act shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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.

12. Upon default by grantor of payment of any indebtedness secured hereby or in the performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable by delivery to the trustee of written declaration of default and demand for sale and of written notice of default and election to cause trust property to be sold, which notice trustee shall cause to be recorded in the mortgage records of the county or counties in which the property is located. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, trustee without demand on grantor, shall sell the said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash, payable at the time of sale, lawful money of the United States of America, payable in accordance with the terms of the sale, all as provided by the statutes of Oregon relating to sales of real property under foreclosure of mortgages. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including both grantor and beneficiary, may purchase at the sale.

13. After deducting all costs, fees and expenses of trustee and of this trust, including cost of evidence of title in connection with sale, trustee shall apply the proceeds of sale to payment of: (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney; (2) to the obligation secured by the trust deed; (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority; (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

14. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any trustee hereunder by an instrument executed and acknowledged by beneficiary and recorded in the mortgage records of the county or counties in which the property is located. The instrument shall contain the name of the original beneficiary, the name of the original trustee, the book and page where this trust deed is recorded and the name and address of the new trustee. The recording of such instrument of substitution shall be conclusive proof of the proper substitution of such trustee, who shall succeed to all of the powers and duties of the trustee named herein. Each instrument of substitution shall be executed and acknowledged in the manner provided by law for the execution and acknowledgment of a deed to real property and shall be recorded in the mortgage records of the county or counties in which the property is located.

15. 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.

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.

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.

Steve Lehbough
Marcia L. Lehbough

STATE OF OREGON,
County of TILLAMOOK } ss.
The foregoing was acknowledged before me on May 25th, 19 87, by Steve Lehbough and Marcia L. Lehbough.
Notary Public for Oregon
(SEAL) My commission expires 10-29-89

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

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 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)

Steve Lehbough
Marcia L. Lehbough
Grantor

Bobby L. Mitchell
Shirley J. Mitchell
Beneficiary

AFTER RECORDING, RETURN TO:
ASPEN TITLE & ESCROW
Escrow Dept.

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON,
County of ..... } ss.
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 fee/file/instrument/microfilm/reception No. ..... Record of Mortgages of said County.
Witness my hand and seal of County affixed.

..... Title

By ..... Deputy

EXHIBIT "A"

9470

THIS TRUST DEED IS AN "ALL INCLUSIVE TRUST DEED" AND IS SECOND AND SUBORDINATE TO THE TRUST DEED NOW OF RECORD DATED JULY 31, 1986, AND RECORDED JULY 31, 1986 IN BOOK M-86 AT PAGE 11633 IN THE OFFICIAL RECORDS OF KLAMATH COUNTY. IN FAVOR OF DONALD L. KELLY, AS BENEFICIARY, WHICH SECURES THE PAYMENT OF A NOTE THEREIN MENTIONED. ROBERT L. MITCHELL AND SHIRLEY J. MITCHELL, BENEFICIARY HEREIN AGREES TO PAY, WITH THE ALL PAYMENTS DUE UPON THE SAID PROMISSORY NOTE IN FAVOR OF DONALD L. KELLY, AND WILL SAVE GRANTORS HEREIN, STEVE ROBERSON AND MARION L. ROBERSON, HARMLESS THEREFROM. SHOULD THE SAID BENEFICIARY HEREIN DEFAULT IN MAKING ANY PAYMENTS DUE UPON SAID PRIOR NOTE AND TRUST DEED, GRANTOR HEREIN MAY MAKE SAID DELINQUENT PAYMENTS AND ANY SUMS SO PAID BY GRANTOR HEREIN SHALL THEN BE CREDITED UPON THE SUMS NOW TO BECOME DUE UPON THE NOTE SECURED BY THIS TRUST DEED.

STATE OF OREGON, COUNTY OF KLAMATH ss.

Filed for record at request of Aspen Title Company the 2nd day of June A.D., 19 87 at 2:00 o'clock P M., and duly recorded in Vol. M87 of Mortgages on Page 9469

FEE $13.00

Evelyn Biehn, County Clerk

By [signature]