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STEVENSON LAW PUBLISHING CO., PORTLAND, OR 97204

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TRUST DEED

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THIS TRUST DEED, made this 31st day of July, 1987, between EDWARD E. WORTHAN and BARBARA L. WORTHAN, husband and wife, as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as Beneficiary, GEORGE L. ROBINSON, JR. and LOIS ROBINSON, husband and wife, as Beneficiary,

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

SEE ATTACHED LEGAL DESCRIPTION OF WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

CONDITIONS REGARDING ASSIGNMENT: This Trust Deed and Note may be assumed upon the Beneficiary's written approval, which shall not be unreasonably withheld, if the person(s) assuming this Trust Deed and Note has no derogatory credit and is in sound financial condition.

THERE SHALL BE NO PREPAYMENT PENALTY.

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 PERFORMANCE of each agreement of grantor herein contained and payment of the sum of FORTY-NINE THOUSAND AND NO/100 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 per terms of Note. 19

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.

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 requests, to join in executing such financing statement 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 and such other structures on the said premises against loss or damage by fire and other hazards as the beneficiary may require, by fire insurance companies acceptable to the beneficiary, with loss payable to the beneficiary, in policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount of any indebtedness secured hereby and in such order as beneficiary may determine or at option of beneficiary the entire amount so collected, or not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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 or against said property before any part of such taxes, assessments and other charges become past due and promptly deliver receipts therefor to the 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 thereof 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 property described, and all such payments shall be immediately due and payable with notice, and the nonpayment thereof shall, at the option of the beneficiary, 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 any suit, action or 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 amount of attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the grantor 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.

8. To be mutually agreed that:

9. 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 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 not to the trustee; and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

10. 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 reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

(a) consent to the making of any map or plat of said property; (b) join in subordinating any easement or creating any restriction thereon, (c) join in any deed; (d) reconveyance affecting this deed or any part of the property; the beneficiary 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.

11. Upon any default by grantor hereunder, beneficiary may at any time without 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 sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same to pay the principal and interest on the indebtedness secured hereby, and in such order as beneficiary may determine.

12. The entering upon and taking possession of said property, the 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.

13. 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 secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary of this trust deed by its will the said described real property to satisfy the obligation secured hereby whereupon the trustee shall in 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.

14. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, the sum secured by the trust deed, the default may be cured by paying the sum due and being due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay 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.

15. 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 at auction to the highest bidder for cash, payable at the time of sale. 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 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.

16. When trustee sells pursuant to the powers provided herein, 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 for 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 property, if any, to the grantor or to his successor in interest entitled to such surplus.

17. Beneficiary may from time to time appoint a successor or successors to its trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance, the successor trustee, after shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder and shall execute and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

18. 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 or any agency thereof, or an escrow agent licensed under ORS 645.505 to 645.515.

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

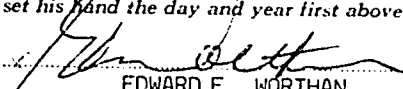
and that he will warrant and forever defend the same against all persons whomsoever.

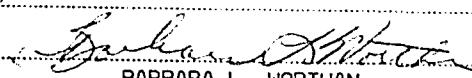
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a)* primarily for grantor's personal, family or household purposes (see Important Notice below).
(XX)

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.


EDWARD E. WORTHAN


BARBARA L. WORTHAN

(If the signer of the above is a corporation, use the form of acknowledgement opposite.)

STATE OF OREGON,)
County of Klamath) ss.
This instrument was acknowledged before me on
July 31, 1987, by
EDWARD E. WORTHAN and BARBARA L.
WORTHAN.


William K. Kalta
Notary Public for Oregon
My commission expires: 12/25/88.

STATE OF OREGON,)
County of) ss.
This instrument was acknowledged before me on
19, by
as
of

Notary Public for Oregon
My commission expires: (SEAL)



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.

EDWARD E. WORTHAN
BARBARA L. WORTHAN
Grantor
GEORGE L. ROBINSON, JR.
LOIS ROBINSON
Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

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/instru-
ment/microfilm/reception No.
Record of Mortgages of said County.
Witness my hand and seal of
County affixed.

NAME	TITLE
By	Deputy

LEGAL DESCRIPTION

13723

PARCEL 1:

The N1/2 of that portion of the following described tract of land lying within the W1/2 of the SE1/4 of the NE1/4 and the W1/2 of the NE1/4 of the SE1/4 of Section 2, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Commencing at the intersection of the Southerly or Westerly boundary of the Sprague River and the West boundary of the W1/2 SE1/4 NE1/4 of said Section; thence Easterly, Southerly and Westerly along the bend of the Sprague River to the West boundary of W1/2 NE1/4 SE1/4 of said Section 2; thence North along the West boundary of the W1/2 NE1/4 SE1/4 and the W1/2 SE1/4 NE1/4 to the point of beginning.

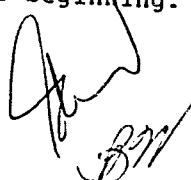
PARCEL 2:

The following described real property in Klamath County, Oregon, lying Southerly and Westerly of the Sprague River:

The E1/2 E1/2 E1/2 of Section 2, Township 35 South, Range 7 East of the Willamette Meridian, EXCEPTING the following parcel:

A tract of land in the W1/2 W1/2 W1/2 of Section 1 and the E1/2 E1/2 E1/2 of Section 2, Township 35 South, Range 7 East of the Willamette Meridian, more particularly described as follows:

Beginning at a point on the West boundary of the E1/2 E1/2 E1/2 of said Section 2, said point being 375 feet South of the centerline running East and West through said Section 2; thence East parallel to said centerline to the East boundary of said Section 2; thence North along the East boundary of said Section 2 to a point 375 feet North of the East quarter corner of said Section 2; thence East parallel to the centerline running East and West through said Section 1 to the East boundary of the W1/2 W1/2 W1/2 of said Section 1; thence South along the East boundary of said Section 1; thence West along the South boundary of said Sections 1 and 2, to the Southwest corner of the E1/2 E1/2 E1/2 of said Section 2; thence North along the West boundary of the E1/2 E1/2 E1/2 of said Section 2 to the point of beginning.



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 31st day
of July A.D. 19 87 at 3:05 o'clock P.M., and duly recorded in Vol. M87
of Mortgages on Page 13721.

FEE \$13.00

Evelyn Biehn, County Clerk
By 