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TRUST AGREEMENT

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THIS TRUST AGREEMENT, Made and entered into this 31st day of December, 1987, by and between CALVIN P. PEYTON, aka C. P. PEYTON, and DORIS A. PEYTON, herein called "trustors", and C. P. PEYTON and DORIS A. PEYTON, herein called "trustees";

W I T N E S S E T H:

1. Trustees acknowledge receipt from trustors of the properties described on Schedule A attached hereto, which properties, together with any other property of any kind and nature which may be offered to and accepted by trustees, shall constitute the trust estate, which shall be known as the "PEYTON TRUST".
2. Trustees shall hold, manage, invest and reinvest the trust assets in such investments as trustees may, in their sole discretion, deem advisable.
3. During the term of the trust trustees shall pay to or for the benefit of trustors, from time to time, first from the income of the trust estate and then from the principal, such sums as trustors, or either of them, shall direct and for such purposes as trustors, in their sole discretion, shall deem appropriate.
4. In the event either trustor shall, by reason of physical or mental disability, be unable to give directions as provided in Paragraph 3 above, trustees are directed to pay, from time to time, such sums from income, and if the same is not sufficient then from the principal of the trust estate, as trustees, in their sole discretion, determine necessary or appropriate to provide for the reasonable support, maintenance, welfare and comforts of the disabled trustor.
5. Trustees, including the successor trustees named below, shall not be required to furnish a bond or undertaking and shall have the following powers:
 - A. To manage, sell for cash or upon terms, convey, exchange, encumber, divide, subdivide, improve and maintain the trust estate, or any part thereof; to create restrictions, easements and other servitudes; to grant options; to carry insurance in such amount and against such hazards as trustees may deem advisable; to lease, license and create such other rights, privileges and interests as trustees may deem advisable for terms within or extending beyond the duration of the trust.

B. To pay assessments and other sums deemed necessary by trustees for the protection of the trust estate; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations, and in connection therewith to deposit securities with and transfer title to any protective or other committee or fiduciary; to give proxies, general and special; to exercise or sell stock subscription or conversion rights; to accept and retain as an investment any securities or other property, whether or not authorized by law for the investment of trust funds, received through the exercise of any of the foregoing powers.

C. To advance funds for the benefit of the trust estate, any such advance with interest at current rates to be a first lien upon the trust estate; to borrow money for such purposes as trustees shall deem to be for the interest of the trust estate, upon such terms and conditions as trustees may deem proper.

D. To realize, by suit or otherwise, upon any promissory note or other chose in action, and in settlement thereof to compromise, discount, adjust, extend or abandon the same; to commence and prosecute to such determination as trustees shall deem proper such suit, action or other proceedings as they shall consider appropriate to protect, preserve or recover the trust estate, or any part thereof; and to defend against any suit or other proceedings brought against trustees.

E. To invest and reinvest the trust estate in such bonds, mortgages, debentures, preferred and common stocks and other property, real or personal, as trustees shall deem prudent; and to retain as an investment any property in any way received or acquired by trustees for so long as they shall consider such retention of probable benefit to the trust estate and the beneficiaries thereof.

F. To receive indemnity to trustees' satisfaction before taking any step which may subject them to loss.

G. To employ such attorneys and agents as trustees may consider necessary.

H. To resign their trusteeship hereunder at any time.

6. In the event of the resignation, death, disability or incompetency of either trustee, trustors nominate and appoint Ruth P. Pepple as successor trustee.

7. In the event both trustees first named above shall, by reason of resignation, death, disability or incompetency, be unable to perform the obligations of trustees, trustors nominate and appoint Ruth P. Pepple and Theodore L. Pepple as successor trustees.

8. Trustees shall be entitled to receive reasonable compensation for services rendered in performing their duties.

9. In the event of the disability of either trustee, the remaining trustee shall apply to any court in the State of Oregon having jurisdiction for an order removing such trustee and appointing the successor named hereinabove.

10. A trustee shall not be involuntarily removed from such position except upon the testimony of not less than two physicians who are qualified to determine the competency of such trustee or trustees.

11. This trust shall terminate upon the death of the survivor of trustors named above and the payment of all debts and obligations of the trust estate, including expenses of last illness, funeral and burial of the survivor of trustors. The remainder of the trust estate shall then be distributed to Ruth P. Pepple and Theodore L. Pepple, or the survivor of them, and trustees exonerated from their trust herein.

IN WITNESS WHEREOF, the parties hereto have caused this trust agreement to be executed the day and year first hereinabove written.

Calvin P. Peyton
Doris A. Peyton
 Trustors
Calvin P. Peyton
Doris A. Peyton
 Trustees

STATE OF OREGON }
 County of Klamath } ss.

The foregoing instrument was acknowledged before me this 31st day of December, 1987, by CALVIN P. PEYTON, aka C. P. PEYTON, and DORIS A. PEYTON, trustors.

Herman F. Smith
 NOTARY PUBLIC FOR OREGON
 My commission expires 12-13-90

STATE OF OREGON }
 County of Klamath } ss.

The foregoing instrument was acknowledged before me this 31st day of December, 1987, by C. P. PEYTON and DORIS A. PEYTON, trustees.

Herman F. Smith
 NOTARY PUBLIC FOR OREGON
 My commission expires 12-13-90

After recording, return to:
 H. F. Smith, Attorney
 540 Main Street
 Klamath Falls, Oregon 97601

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of H. F. Smith Attorney at Law the 2nd day of February A.D., 19 88 at 10:39 o'clock A M., and duly recorded in Vol. M88 of Needs on Page 1481.

FEE \$15.00

* No attached Schedule A

Evelyn Biehn, County Clerk
 By PHM Smith