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Robert A. Crooks, Esq.
 Brobeck, Phleger & Harrison
 One Market Plaza
 Spear Street Tower, 24th Floor
 San Francisco, California 94105

DEED OF TRUST

THIS DEED OF TRUST ("Deed of Trust") is made on
 this 24th day of May, 1988.

The trustors are R. Leonard Garrison and Linda B. Garrison (together, "Borrower"), husband and wife. The trustee is Mountain Title Company in Klamath Falls, Oregon ("Trustee"). The beneficiary is Bracton Corporation ("Lender"), which is organized and existing under the laws of the State of Delaware, and whose address is Bracton Corporation, 100 Spear Street, 10th Floor, San Francisco, California 94105. Borrower owes Lender the principal sum of One Million Eight Hundred Thousand and No/100 Dollars (\$1,800,000.00). This debt is evidenced by Borrower's note ("Note") dated the same date as this Deed of Trust, which provides for payment of the full debt, if not paid earlier, due and payable 5-24, 1995 or 5-24, 1998 should Borrower elect to extend the term of the Note as provided therein. This Deed of Trust secures to Lender: (a) payment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) payment and performance of all future advances made pursuant to the terms of the Note or otherwise ("Future Advances"), and other obligations ("Other Obligations") (Future Advances and Other Obligations, collectively, "Future Obligations") that the then record owner of the Property (as the term is hereinafter defined) may agree to perform (whether as principal, surety or guarantor), for the benefit of Lender, when the Future Obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; (c) payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Deed of Trust; and (d) performance of Borrower's covenants and agreements under this Deed of Trust and the Note

(collectively, together with the items set forth in (a), (b) and (c), the "Secured Obligations"). For these purposes, Borrower irrevocably grants and conveys to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all interest which Borrower now has or may hereafter acquire in all of that certain real property located in the County of Klamath, State of Oregon, described in Exhibit A attached hereto, together with all the improvements now or hereafter erected thereon, all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the above-described real property and all replacements, additions and accretions thereto (collectively, the "Property").

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, except for encumbrances of record and that this Deed of Trust creates a valid lien on the Property. Borrower warrants and will defend generally the title to the Property against all claims and demands arising from Borrower's ownership and possession of the Property, subject to any encumbrances currently of record.

BORROWER FURTHER COVENANTS AND AGREES as follows:

1. Payment of Principal and Interest; Late Charges and Other Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note, any Future Advances made pursuant to the Note and interest thereon, any other Secured Obligations and any late charges or other charges due under the Note.

2. Funds for Taxes and Insurance. Upon Borrower's Default (as defined below), at Lender's option, Lender may require Borrower to pay to Lender on the day Annual Payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to: (a) yearly taxes and assessments which may attain priority over this Deed of Trust; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be deposited in an interest bearing account at an institution the deposits or accounts of which

are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. The Funds are pledged as additional security for the sums secured by this Deed of Trust. The relationship between Lender and Borrower with respect to the Funds shall be one of debtor-creditor, and not one where Lender shall be deemed a trustee, special depository or other fiduciary acting for the benefit of Borrower.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 21 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower

makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has or may attain priority over this Deed of Trust unless Borrower (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Deed of Trust. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Deed of Trust, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, vandalism, malicious mischief, hazards included within the term "extended coverage", and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and to the extent equivalent to the coverage provided by those three (3) certain insurance policies which were in force and pertained to the Property on the date this Deed of Trust was signed (excluding that certain insurance policy relating to the dredge, barges and tugboat comprising the "Tulana Navy"). In addition, Borrower shall obtain and keep in force additional insurance coverage for fire and casualty in the amount of \$500,000.00 covering damage or loss to all improvements located or erected on the real property, and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals must be acceptable to Lender and shall include a standard mortgage clause. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the annual payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

6. Preservation and Maintenance of Property;

Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Deed of Trust is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property;

Mortgage Insurance. If Borrower fails to perform any of the Secured Obligations set forth or contained in this Deed of Trust, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Deed of Trust, appearing in court, paying reason-

able attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Deed of Trust shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16. If more than one party executes this Deed of Trust as Borrower, Borrower's covenants and agreements and each Borrower's liability hereunder shall be joint and several. Any Borrower who co-signs this Deed of Trust but does not execute the Note: (a) is co-signing this Deed of Trust only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Deed of Trust or the Note without that Borrower's consent.

12. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Deed of Trust unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Deed of Trust and may invoke any remedies permitted by paragraph 21.

13. Notices. Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the property address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Deed

of Trust shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Governing Law; Severability. This Deed of Trust shall be construed in accordance with the laws of the State of Oregon, except to the extent Lender has greater rights or remedies under Federal law. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Deed of Trust.

16. Transfer of the Property or a Beneficial Interest in Borrower. If Borrower transfers or sells an interest in the Property which is greater than fifty percent (50%) (except to a legal entity in which Borrower holds more than a fifty percent (50%) beneficial interest) or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, unless Borrower retains at least a fifty percent (50%) beneficial interest in the Property, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law as of the date of this Deed of Trust. Borrower shall notify Lender in writing within ten (10) business days of the date of each such sale or transfer.

17. Acceptance of Trust; Powers and Duties of Trustee. Trustee accepts this trust when this Deed of Trust is executed. From time to time, upon written request of Lender and presentation of this Deed of Trust for endorsement, and without affecting the personal liability of any person for payment of any indebtedness or performance of any of the Secured Obligations, Trustee may, without obligation to do so and without liability therefor and without notice: (a) consent to the making of any map or plat of the Property; and (b) join in any grant of easement thereon, any declaration of covenants and restrictions, any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust. Trustee or Lender may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trusts and the enforcement of the rights and remedies available under this Deed of Trust, and may obtain orders or decrees directing or

confirming or approving acts in the execution of said trusts and the enforcement of said rights and remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding (including, but not limited to actions in which Borrower, Lender or Trustee shall be a party) unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee shall not be obligated to perform any act required of it under this Deed of Trust unless the performance of the act is requested in writing and Trustee is reasonably indemnified against loss, cost, liability and expense.

18. Compensation; Exculpation; Indemnification.

a. Borrower shall pay Trustee's fees and reimburse Trustee for expenses in the administration of this trust, including attorneys' fees. Borrower shall pay Lender reasonable compensation for services rendered concerning this Deed of Trust, including without limitation, any statement of amounts owing under any Secured Obligation. Lender shall not directly or indirectly be liable to Borrower or any other person as a consequence of (i) the exercise of the rights, remedies or powers granted to Lender in this Deed of Trust; (ii) the failure or refusal of Lender to perform or discharge any obligation or liability of Borrower under any agreement related to the Property or under this Deed of Trust; or (iii) any loss sustained by Borrower or any third party resulting from Lender's failure to lease the Property after any Default or from any other act or omission of Lender in managing the Property after any Default unless the loss is caused by the willful misconduct and bad faith of Lender; and no such liability shall be asserted or enforced against Lender, and all such liability is hereby expressly waived and released by Borrower.

b. Borrower agrees to indemnify Trustee and Lender against, and hold them harmless from, all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of value, and other expenses which either may suffer or incur (i) by reason of this Deed of Trust; or (ii) by reason of the execution of this trust or in performance of any act required or permitted hereunder or by law; or (iii) as a result of any failure of Borrower to perform Borrower's obligations; or (iv) by reason of any alleged obligation or undertaking of Lender to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Property. Borrower's duty to indemnify

Trustee and Lender shall survive the payment, discharge or cancellation of the Secured Obligations and the release or reconveyance, in whole or in part, of this Deed of Trust.

c. Borrower shall pay all indebtedness arising under this paragraph 18 immediately upon demand by Trustee or Lender, together with interest thereon from the date the indebtedness arises at the highest rate of interest payable under any Secured Obligation. Lender may, at its option, add any such indebtedness to any Secured Obligation.

19. Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Lender may, from time to time, release any of the Interested Parties from liability for the payment of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Property and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of said Interested Parties, or release or impair the priority of the lien of this Deed of Trust upon the Property.

20. Subrogation. Lender shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Lender pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust.

21. Remedies. Upon Borrower's breach of any covenant or agreement in this Deed of Trust or the Note ("Default"), Lender shall have the right to declare all Secured Obligations immediately due and payable and to execute or cause Trustee to execute a written notice of the occurrence of a Default and of Lender's election to cause the Property to be sold. Trustee shall cause this notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. Trustee shall give public notice of sale to the persons and in the manner prescribed by applicable law. After the time required by applicable law, Trustee, without notice or demand on Borrower except as otherwise required by law, shall sell the Property at public auction to the highest

bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser a Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

Upon Borrower's Default, Lender (in person, by agent or by judicially appointed receiver) also shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust.

All rights and remedies of Lender and Trustee hereunder are cumulative and are in addition to all rights and remedies provided by law or in other agreements between Borrower and Lender.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing debt secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. Substitute Trustee. Lender, at its option, may from time to time appoint a successor trustee to any Trustee appointed hereunder by an instrument executed and acknowledged by Lender and recorded in the office of the Recorder of the county in which the Property is located. The instrument shall contain the name of the original

Lender, Trustee and Borrower, the book and page where this Deed of Trust is recorded and the name and address of the successor trustee. Without conveyance of the Property, the successor trustee shall succeed to all the title, powers and duties conferred upon the Trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

24. Sale of Participation. Lender may at any time sell, transfer, assign or grant participations in any and all notes and other Secured Obligations, and Lender may forward to each participant and prospective participant all documents and information which Lender has or may hereafter acquire relating to the Secured Obligations and to Borrower and any partners or joint venturers of borrower, whether selected by Borrower or otherwise, as Lender determines necessary or desirable.

25. Execution of Documents. Borrower agrees, upon demand by Lender or Trustee, to execute any and all documents and instruments required to effectuate the provisions hereof.

26. Headings. The headings preceding the sections of this Deed of Trust are for convenience of reference only, are not a part of this Deed of Trust, and shall be disregarded in the interpretation of any portion of this Deed of Trust.

27. No Waiver. Any failure by Lender to insist upon the strict performance by Borrower of any of the terms and provisions hereof shall not be deemed to be a waiver hereof. Lender, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by Borrower of any and all of the terms and provisions hereof. The acceptance by Lender of any sum after the occurrence of a Default shall not constitute a waiver of the right to require prompt performance of all of the covenants and conditions contained herein. The acceptance by Lender of any sum less than the sum then due shall be deemed an acceptance on account only and shall not constitute a waiver of the obligation of Borrower to pay the entire sum then due; and Borrower's failure to pay said entire sum due shall be and continue to be a Default notwithstanding such acceptance of such lesser amount on account and Lender shall be entitled to exercise all rights conferred upon it following a Default notwithstanding such acceptance.

28. No Third Party Beneficiaries. This Deed of Trust is made and entered into for the sole protection and benefit of the parties hereto, and no other person or entity shall be a direct or indirect beneficiary of, or shall have any direct or indirect cause of action or claim in connection with this Deed of Trust or any of the other related documents.

29. Amendments. This Deed of Trust may only be changed, modified or terminated, and its provisions may only be waived, by a written instrument executed by Borrower and Lender.

30. Survival. All representations, warranties, covenants and agreements of Borrower hereunder shall survive the delivery of this Deed of Trust and shall continue in full force and effect until the full and final payment and performance of all of the Secured Obligations.

31. Time. Time is of the essence of each provision of this Deed of Trust.

32. Continuation of Payments. Notwithstanding any taking by eminent domain or other governmental action causing injury to, or decrease in value of, the Property and creating a right to compensation therefor, Borrower shall continue to make the required payments of principal and interest on the Note. If, prior to the receipt by Lender of such award or compensation, the Property shall have been sold in any action or proceeding to foreclose this Deed of Trust, Lender shall have the right to receive said award or compensation to the extent of any deficiency found to be due upon such sale, with interest thereon, whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered, together with reasonable counsel fees and the costs and disbursements incurred by Lender in connection with the collection of such award or compensation.

33. Management. If, at any time, the management or maintenance of the Property, as determined by Lender, shall fall below a reasonable standard of care such that the value of the Property is impaired, Borrower shall employ, as managing agent of the Property, such person or firm as from time to time shall be approved or required by Lender.

34. Specific Performance. At any time, Lender may commence and maintain an action in any court of competent jurisdiction for specific performance of any of the covenants and agreements contained herein, and may obtain the

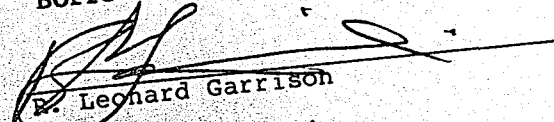
aid and direction of the court in the performance of any of the covenants and agreements contained herein, and may obtain orders or decrees directing the execution of the same and, in case of any sale hereunder, directing, confirming or approving its or Trustee's acts and granting it such relief as may be warranted in the circumstances.

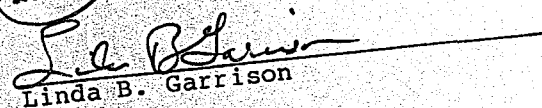
35. Waivers. To the fullest extent permitted by law, Borrower hereby waives the benefit of all laws now existing or hereafter enacted providing for the pleading of any statute of limitation as a defense to any Secured Obligation or extending the time for the enforcement of the collection of any Secured Obligation. Borrower agrees that Borrower shall not at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in force providing for any stay of execution, extension or marshalling in the event of foreclosure of the liens hereby created. In addition, Borrower expressly waives and relinquishes any and all rights and remedies which Borrower may have or be able to assert by reason of any laws pertaining to the rights and remedies of sureties.

36. Nonrecourse. Except in the event of (i) fraud, (ii) any material misrepresentation made to Lender in connection with this Deed of Trust or (iii) waste, Borrower shall not be personally liable for payment of the Note or any other default under this Deed of Trust.

IN WITNESS WHEREOF, this Deed of Trust has been duly executed and acknowledged by Trustor as of the day and year first above written.

"Borrower"

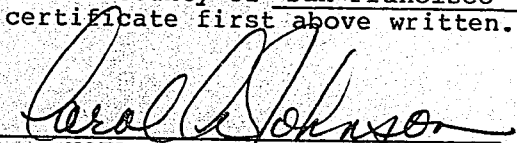

R. Leonard Garrison

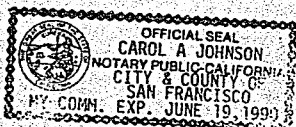

Linda B. Garrison

STATE OF CALIFORNIA)
) ss.
 COUNTY OF SAN FRANCISCO)

On this 13th day of May, in the
 year 1988 before me, Carol Johnson, Notary Public
 in and for the State of California, personally appeared
R. Leonard Garrison and Linda B. Garrison,
 personally known to me (or proved to me on the basis of
 satisfactory evidence) to be the persons whose names are
 subscribed to this instrument, and acknowledged to me that
 they executed it.

IN WITNESS WHEREOF, I have hereunto set my hand and
 affixed my official seal in the County of San Francisco
 the day and year in this certificate first above written.


 NOTARY PUBLIC
 In and for the State of California



My Commission Expires:
June 19, 1990

(SEAL)

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Dated:

[Space Below This Line For Lender and Recorder]

EXHIBIT "A"
LEGAL DESCRIPTION

All that certain real property situate, lying and being in the County of Klamath, State of Oregon, more particularly described as follows:

In Township 35 South, Range 7 East of the Willamette Meridian:

In Section 19:

Lots 2, 3, 4, 5, 8, 9, 10, 11, 12, 15, 16, 17, 18, 19, 20, 25, 26, 27, 28, 29, 30 and the following described tract: Starting at a point 7.85 chains West from the Section Corner Common to Sections 19, 20, 29 and 30, Township 35 South, Range 7 East of the Willamette Meridian, and running thence West 12.15 chains; thence North 20 chains to the center line of the old Dallas-California Highway; thence South 25 degrees East following the center line of the said old Dallas-California Highway 17.00 chains; thence in a Southeasterly direction also following the center of the said Dallas-California Highway 7.27 chains, more or less, to the starting point. Being a part of Lots 24 and 31 of said Section 19.

EXCEPTING from Lot 3 the following described parcel: Beginning at the intersection of the North section line of Section 19, said Township and Range and the West right of way line of State Highway 427; thence South 13 degrees 10' 28" East along the West right of way line 415.69 feet; thence North 89 degrees 36' 24" West parallel to the North section line of Section 19, 577.28 feet to Agency Lake; thence North 3 degrees 50' 07" West along the shore line of Agency Lake 405.20 feet to the North section line of Section 19; thence South 89 degrees 36' 24" East along the section line of Section 19, 509.63 feet to the point of beginning.

ALSO EXCEPTING all that portion of Lots 2, 3, 4, 5 and 8 of Section 19, Township 35 South, Range 7 East of the Willamette Meridian, lying Northerly of State Highway No. 422 and Easterly of State Highway No. 427.

In Section 30:

Lots 3, 4, 5, 6, 7, 14, 15, 16, 17, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, 37 and the West 10 chains (660 feet) of Lots 8, 13 and 18.

EXCEPTING THEREFROM the East 250 feet of Lot 3, Section 30, Township 35 South, Range 7 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

ALSO EXCEPTING a substation site 40 feet square in said Section 25, described as follows: Beginning at a point on the right hand or Westerly bank of Williamson River, and on the Easterly side or boundary of Lot 37 of Section 30, Township 35 South, Range 7 East of the Willamette Meridian, said point being situated South 89 degrees 09' West 2.7 feet and West 3,114 feet, more or less, from the Southeast corner of said Section 30; thence West 110.0 feet; thence North 88 degrees 22' West 249.4 feet; thence West 1,750.0 feet; thence North 70 degrees 00' West 7.0 feet to a point on the East boundary fence line of that certain structure known and referred to as Indian Lands Substation and from which the Southeast corner of said substation bears South 12.5 feet, being the true point of beginning; thence South 12.5 feet to the Southeast corner; thence West 40 feet; thence North 40 feet; thence East 40 feet; thence South 27.5 feet to the true point of beginning.

In Section 31:

Lot 4, EXCEPTING THEREFROM the following described parcel: Beginning at a point on the North line of said Lot 4 which bears North 89 degrees 39' 50" East a distance of 498.3 feet from the Northwest corner of said Lot 4; thence South 07 degrees 13' 10" East a distance of 336.7 feet to a point; thence South 51 degrees 05' 40" East a distance of 165.5 feet to a point; thence South 06 degrees 30' 30" East a distance of 50.5 feet to a point; thence North 80 degrees 02' 40" East a distance of 135 feet, more or less, to a point on the Westerly bank of Williamson River thence Northerly along said Westerly bank to the Northeast corner of said Lot 4; thence South 89 degrees 39' 50" West along the North line of said Lot 4 to the point of beginning.

Lots 5, 6, 7, 12, 13, 14, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37 and portion of Lots 11, 20, 21, 28, 29 and 38 in Section 31, more particularly described as follows: Beginning at the stone monument marking the section corner common to Sections 31 and 32, Township 35 South, Range 7 East of the Willamette Meridian and to Sections 5 and 6, Township 36 South, Range 7 East of the Willamette Meridian; thence South 89 degrees 55 3/4' West along the section line common to said Sections 31 and 6, 425.0 feet to a point; thence North 0 degrees 25' West 30.0 feet to an iron pipe on the Northerly right of way line of a county road as the same is presently located and constructed and the true point of beginning of this description; thence South 89 degrees 55 3/4' West along the said Northerly right of way line 868.7 feet to a point in the fence line marking the Westerly boundary of Lot 38 of said Section 31; thence North 0 degrees 55 3/4' West 1271.7 feet to the stone monument marking the Northwest corner of Lot 29 of said Section 31 (said monument being also the SE1/16 corner of said Section 31); thence North 0 degrees 25' West 1316.7 feet to the stone monument marking the Northwest corner of Lot 21 of said Section 31 (said monument being also the East 1/16 corner on the East-West centerline of said Section 31); thence North 0 degrees 19 3/4' West 1263.3 feet to an iron pin on the Westerly boundary of Lot 11 of said Section 31 and from which point the Northwest corner of said Lot 11 bears North 0 degrees 19 3/4' West 55.0 feet distant; thence South 13 degrees 14 1/2' East 3955.5 feet, more or less, to the true point of beginning.

EXCEPTING that portion in Section 31 described as follows:

Lots 12, 16, 18, 19, lying Southerly and Easterly of the center thread of Williamson River, and all of lots 22, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 37 and portion of Lots 11, 20, 21, 28, 29 and 38 in Section 31, more particularly described as follows: Beginning at the stone monument marking the section corner common to Sections 31 and 32, Township 35 South, Range 7 East of the Willamette Meridian and to Sections 5 and 6, Township 36 South, Range 7 East of the Willamette Meridian; thence South 89 degrees 55 3/4' West along the section line common to said Sections 31 and 6, 425.0 feet to a point; thence North 0 degrees 25' West 30.0 feet to an iron pipe on the Northerly right of way line of a county road as the same is presently located and constructed and the true point of beginning of this description; thence South 89 degrees 55 3/4' West along the said Northerly right of way line 868.7 feet to a point in the fence line marking the Westerly boundary of Lot 38 of said Section 31; thence North 0 degrees 55 3/4' West 1271.7 feet to the stone monument marking the Northwest corner of Lot 29 of said Section 31 (said monument being also the SE 1/16 corner of said Section 31); thence North 0 degrees 25' West 1316.7 feet to the stone monument marking the Northwest corner of Lot 21 of said Section 31 (said monument being also the East 1/16 corner on the East-West centerline of said Section 31); thence North 0 degrees 19 3/4' West 1263.3 feet to an iron pin on the Westerly boundary of Lot 11 of said Section 31 and from which point the Northwest corner of said Lot 11 bears North 0 degrees 19 3/4' West 55.0 feet distant; thence South 13 degrees 14 1/2' East 3955.5 feet, more or less, to the true point of beginning.

In Township 35 South, Range 7 1/2 East of the Willamette Meridian:

All of Fractional Sections 25, 26, 27, 33, 34, 35 and a portion of Section 36, lying Westerly of the center thread of Williamson River. All of Fractional Section 24 EXCEPT Government Lot 5; All of Fractional Section 28 lying East of the Straits which connect Upper Klamath Lake and Agency Lake.

In Township 36 South, Range 7 1/2 East of the Willamette Meridian:

All of Section 1; and All of Fractional Sections 2, 3, 4, 11 and 12 lying Northeasterly and Northerly of the shore line of Klamath Lake and Westerly of the center thread of the Williamson River.

Townships 34 and 35 South, Range 7 1/2 East of the Willamette Meridian

All those portions of Sections 20, 21, 22, 26, 27, 28, 29, 33 and 34, Township 34 South, Range 7 1/2 East of the Willamette Meridian, and Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 16, 17 and 18, Township 35 South, Range 7 1/2 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the intersection of the center line of Seven Mile Canal, as the same is now located and constructed with a line parallel with and 70.0 feet distant at right angles Southeasterly from the centerline of the Dixon and McQuiston Lower Levee as the same is now located and constructed and from which point the Southeasterly corner of Section 1, Township 34 South, Range 6 East of the Willamette Meridian, as established by Norman D. Price, U. S. Cadastral Engineer, between October 31, 1930 and June 22, 1931, bears North 52 degrees 51 1/2' West 18,650.2 feet distant, and running thence South 44 degrees 40' West along the aforementioned parallel line 7,011.7 feet; thence South 12 degrees 30' East along a line parallel with and 70.0 feet distant at right angles Northeasterly from the center line of the said Dixon and McQuiston Lower Levee, 2,622.3 feet, more or less, to a point in the section line between the said Sections 28 and 29, Township 34 South, Range 7 1/2 East of the Willamette Meridian; thence Southerly along the said section line between the said Sections 28 and 29, and Sections 32 and 33 of the same Township and Range, 7,928 feet, more or less, to the Southeasterly corner of the said Section 32; thence Southerly along the section line between the said Sections 4 and 5, Township 35 South, Range 7 1/2 East of the Willamette Meridian, 788.3 feet; thence Westerly along a line parallel with and 788.3 feet distant at right angles Southerly from the Township line between Township 34 South, Range 7 1/2 East of the Willamette Meridian and Township 35 South, Range 7 1/2 East of the Willamette Meridian, 10,560 feet, more or less, to a point in the line marking the Westerly boundary of Section 6, Township 35 South, Range 7 1/2 East of the Willamette Meridian; thence Southerly along the Westerly boundary of the said Section 6, 4,492 feet, more or less, to the Southwesterly corner of the said Section 6; thence continuing Southerly along the Westerly boundary of Section 7, 5,280 feet, more or less, to the Southwesterly corner of said Section 7; thence continuing South along the West line of Section 18 a distance of 660 feet; thence East, parallel with and 660 feet South of the North lines of Sections 18 and 17, a distance of 10,560 feet, more or less to the East line of Section 17; thence continuing East along said parallel line a distance of 1,980.0 feet to a point; thence North at right angles to said parallel line a distance of 660 feet to a point on the South line of Section 9 which is 1,980.0 feet East of the Southwest corner thereof; thence North 13 degrees 46' East a distance of 2,717.95 feet, more or less, to the center of Section 9 and the Southwest corner of Lot 2 in said Section 9; thence North 44 degrees 52' East to the Northeast corner of said Lot 2; thence continuing North 44 degrees 52' East a distance of 0.983 chains; thence North 86 degrees 54' East a distance of 81.715 chains to a point on the East line of Section 10 and on the meander line of Agency Lake; thence Northerly along the shore line of Agency Lake to its intersection with the center line of the Seven Mile Canal as the same is now located and constructed; thence North 41 degrees 02' 30" West, along said center line, a distance of 11,000 feet, more or less, to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 25th day
of May A.D. 19 88 at 1:01 o'clock P M., and duly recorded in Vol. M88
of Mortgages on Page 8142

FEE \$100.00

Evelyn Biehn
By Demetha A. Heloch County Clerk

APR 4 '88 13:09

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