

MTC-20331

LINE OF CREDIT
TRUST DEED

THIS TRUST DEED, made this 2nd day of November, 1988, between WALTER C. BADOREK and SHARON DAWN BADOREK as Grantor, AMERICAN PACIFIC TITLE & ESCROW COMPANY, as Trustee, and MITSUBISHI INTERNATIONAL CORPORATION 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:

See Exhibit A attached hereto and incorporated herein by this reference

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 such agreements of grantor herein contained and payment of such sums as may be owing from time to time, with interest thereon according to the terms of a credit agreement of even date herewith between beneficiary as creditor and Sixth Street Steel & Oxygen, Inc. as debtor; provided, however, that such sums shall not exceed One Million and no/100's Dollars (\$1,000,000.00).

The date of maturity of the debt secured by this instrument is the date on which the final payment pursuant to the credit agreement becomes due and payable. In the event the within-described property, or any party 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

*88 NOV 15 PM 4 30

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 same 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 their full replacement value, written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as issued; 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 collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of 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 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 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 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 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 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 evidence 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 attorneys' 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 and 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 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 granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. 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 sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

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 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 or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said-described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix 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 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the

trustee's sale, the grantor or other person so privileged by ORS 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

14. 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.

15. 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 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 and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated shall be conclusive proof of proper appointment of the successor trustee.

17. 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.

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 subject to encumbrances of record as of the date hereof 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 credit agreement and this trust deed are for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

19317

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.

Walter C. Badorek
WALTER C. BADOREK

Sharon Dawn Badorek
SHARON DAWN BADOREK

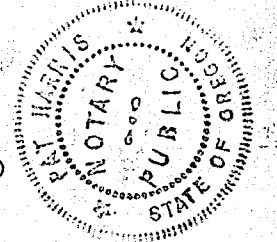
STATE OF OREGON,)
COUNTY OF Hamill) ss

This instrument was acknowledged before me on the 2nd day of November, 1988 by Walter C. Badorek and Sharon Dawn Badorek.

Before me:

Pat Harris
Notary Public for Oregon
My commission expires: 9-20-90

(OFFICIAL SEAL)



RETURN: STEVE ROUIG, ATTORNEY
500 GALLAND BLDG
1221 2ND AVE
SEATTLE, WA 98101

Order No.: 20331

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL ONE:

Lots 5, 6, 7, 8, 9 and 10 in Block 2; and Lots 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 32 and 33 in Block 4, of SIXTH STREET ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. ALSO, part of Lot 30, Block 4, SIXTH STREET ADDITION in Klamath County, Oregon, according to the official plat thereof, described as follows:

Beginning at the Northwest corner of Lot 30, Block 4, SIXTH STREET ADDITION; thence Southeasterly along alley parallel to Sixth Street a distance of 11.71 feet; thence Southwest at right angles to alley 17.25 feet to the Westerly line of Lot 30; thence Northerly along West line of Lot 30, 20.86 feet to the point of beginning, being a portion of Lot 30, Block 4, Sixth Street Addition.

Part of Lot 30, Block 4, SIXTH STREET ADDITION in Klamath County, Oregon, described as follows: Beginning at the Northwest corner of Lot 30, Block 4, SIXTH STREET ADDITION; thence Southeasterly along the Northeasterly line of said lot, 11.71 feet to the true point of beginning; thence Southeasterly along said lot line 33.28 feet; thence South 34 degrees 07 1/2' West 17.25 feet to the South line of said lot; thence Westerly along the South line to its intersection with the Southeasterly line of Lot 31, Block 4, Sixth Street Addition; thence North 34 degrees 07 1/2" East 17.25 feet to the point of beginning.

All that portion of Lot 31, Block 4, SIXTH STREET ADDITION in Klamath County, Oregon, except that part conveyed to Alfred D. Collier and V. E. O'Neill by deed dated December 9, 1937, recorded December 14, 1937, in Volume 113, at page 347, Records of Klamath County, Oregon, described as follows: Beginning at a point in line marking the Southwesterly boundary of said Lot 31, 55 feet Southeasterly from the most Westerly corner of said Lot 31, thence at right angles to the centerline of South Sixth Street (The Dalles-California Highway) as the same is now located and constructed Northeasterly 33.63 feet, more or less, to a point in the Easterly boundary of said Lot 31; thence Southerly along the said Easterly boundary of said Lot 40.63 feet, more or less, to the Southeasterly corner of said Lot 31; thence Northwesterly along the above mentioned Southwesterly boundary of said Lot 31, 22.80 feet, more or less, to the point of beginning.

Part of Lot 802 ENTERPRISE TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, described as follows: Beginning at a point in the Easterly boundary of Lot 31, Block 4, SIXTH STREET ADDITION from which the Southeasterly corner of said lot bears South 0 degrees 00 1/2' East 40.63 feet distant; running thence North 34 degrees 07 1/2' East at right angles to the centerline of Sixth Street (The Dalles-California Highway) as now located to the South line of Lot 30, Block 4, of said Addition, thence West on said South line of Lot 30 to its intersection with the Southeasterly line of Lot 31, Block 4, said addition; thence South 0 degrees 00 1/2' East on said Southeasterly line of Lot 31 to the point of beginning.

Also beginning at the Northeast corner of Section 4, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and running thence South 0 degrees 00' 30" East along the East line of said Section 4, 862.01 feet; thence West 29.92 feet to an iron pipe marking the former intersection of the North line of South Sixth Street and the West line of Washburn Way, which iron pipe is distance 29.52 feet at right angles from the centerline of the Klamath Falls Lakeview Highway at Engineers Station 15+58.91; and continuing thence from said iron pipe North 0 degrees 00' 30" West 62.53 feet along the West line of Washburn Way to the true beginning point of the description; running thence from said true beginning point North 0 degrees 00' 30" West 58.42 feet along the West line of Washburn Way to the South line of the alley in Block 4 of the Sixth Street Addition; thence North 55 degrees 50' 30" West along the South line of said alley 136.30 feet to the Northeasterly corner of that tract of land heretofore conveyed to W. Badorek and Nellie Badorek by Alfred D. Collier et ux., and V. E. O'Neill et ux., by deed recorded in Volume 113, page 349 of Klamath County Deed Records; thence South 34 degrees 09' 30" West along the Easterly line of said tract of land and the Westerly line of that certain tract of land conveyed to Alfred D. Collier and V. E. O'Neill by W. Badorek and Nellie Badorek and recorded in Volume 113, page 347, of Klamath County Deed Records a distance of 89.55 feet to the Northerly right of way line of the Klamath Falls Lakeview State Highway as the same is presently constructed; thence along said Northerly right of way line on an 80 foot radius curve left (the long chord of which bears South 60 degrees East 11.60 feet) a distance of 11.61 feet; thence South 64 degrees 09' 30" East 150.70 feet; thence on a twelve foot radius curve left (the long chord of which bears North 57 degrees 55' East 20.34 feet) a distance of 24.26 feet to the true point of beginning.

SAVING AND EXCEPTING from said Parcel 1 any portion thereof conveyed to State of Oregon, by and through its State Highway Commission, by Deeds recorded August 3, 1943, Volume 157, page 285, and June 5, 1946, Volume 190, page 237, Deed Records of Klamath County, Oregon.

ALSO SAVING AND EXCEPTING from said Parcel 1 any portion conveyed to State of Oregon, by and through its State Highway Commission, by Deeds recorded July 23, 1942 in Volume 148, page 508 and Volume 146, page 181, Deed Records of Klamath County, Oregon.

Tax Account No.:	3909 004AA 05300	3909 004AA 01200
	3909 004AA 02800	3909 004AA 02700
	3909 004AA 02600	3909 004AA 02500
	3909 004AA 01300	

PARCEL TWO:

A parcel of land situated in E1/2 N1/2 S1/2 SW1/4 SW1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point on the Eastern right of way line of Broadmore Street, said point also being the Southwest corner of the E1/2 N1/2 S1/2 SW1/4 of Section 3, thence from said point North along the Eastern right of way line of Broadmore Street 333 feet more or less to a point, said point also being the Southwest corner of Lot 2, Block 4, WASHBURN PARK TRACT 1080, thence East along the South line of said Lot 2, Block 4, WASHBURN PARK TRACT 1080, a distance of 610 feet more or less to a point on the Western right of way line of the O.C. & E. Railroad; thence South along said railroad right of way line 195 feet more or less to a point, said point also being the Northeast corner of that tract of land described in Deed Volume 291, page 469, deeded to Lloyd A. Warner and Fern L. Warner, husband and wife, thence West along the North line of said parcel 323 feet more or less to a point being the Northwest corner of said parcel described in Deed Volume 291, page 469, thence South along the West line of said parcel 135 feet more or less to a point being the Southwest corner of that same parcel described in Deed Volume 291, page 469, said point also lying on the South line of the E1/2 N1/2 S1/2 SW1/4 SW1/4, thence West from said point along said South line of the E1/2 N1/2 S1/2 SW1/4 SW1/4 285 feet more or less to a point on the Eastern right of way line of Broadmore Street, said point also being the point of beginning of this description.

Tax Account No.: 3909 003CC 00500

PARCEL THREE:

A tract of land located in the South one-half (S1/2) of the Southeast one-quarter (SE1/4) of the Southwest one-quarter (SW1/4) of the Southwest one-quarter (SW1/4) of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows, to wit:

Commencing at the Southwest (SW) corner of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence South 89 degrees 33' 35" East, 927.74 feet; thence North 00 degrees 26' 25" East, 30 feet to the true point of beginning thence North 00 degrees 26' 25" East, 269.68 feet; thence South 89 degrees 37' 05" East, 335.67 feet; thence North 00 degrees 12' 43" West, approximately 30 feet to a 5/8 inch iron pin and intersecting a line bearing North 89 degrees 37' 05" West; thence North 89 degrees 37' 05" West 608.97 feet to a 5/8 inch iron pin; thence South 00 degrees 17' 47" East, 299.63 feet to a 5/8 inch iron pin; thence South 89 degrees 33' 35" East, 269.65 feet more or less to the true point of beginning.

19321

SAVING AND EXCEPTING unto the Great Northern Railway Co., a Minnesota corporation, its successors and assigns, the right to maintain and use the present railway tracks upon, over and across the above described property.

ALSO EXCEPTING THEREFROM a reservation unto the Great Northern Railway Co., a Minnesota corporation, its successors and assigns forever, all iron, natural gas, coal, oil and all minerals of any nature whatsoever upon or in the lands above described together with the sole, exclusive and perpetual right to explore for, remove and dispose of the same by means or methods suitable to the Grantor, its successors and assigns, but without entering upon or using the surface of the lands above described, and in such manner as not to interfere with the use thereof by the Grantee, its successors and assigns.

Tax Account No.: 3909 003CC 00700

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co.
of Nov. A.D., 19 88 at 4:30 o'clock PM., and duly recorded in Vol. M88
of Mortgages on Page 19313

FEE \$48.00

Evelyn Biehn

By

- County Clerk

Pauline Mullenbore