

TRUST DEED

WITNESSETH:

THIS TRUST DEED IS ADDITIONAL COLLATERAL FOR A \$500,000 LINE OF CREDIT
IN THE NAME OF WESTERN HOMES, INC.

now or hereafter appertaining with said real estate

FOR THE PURPOSE OF SECURING PERFORMANCE

AND RENEWALS

AS PER AGREEMENT

The date of maturity of the debt secured by this instrument shall be the date when the principal sum or sums hereunder becomes due and payable. In the event the within described property, or any part thereof, or any interest therein, is 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.

I, _____, do hereby certify that I am the owner of the above described property and agree:

To protect the security of this trust deed, the following covenants shall run with the property:

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; nor to permit any waste of said property.

[illegible]

4. To provide for the said premises against loss now or hereafter sustained as the beneficiary may from time to time require, written in and such other documents as the beneficiary may deem payable to the latter; also, and for an amount not less than \$ FULL AMOUNT, the beneficiary as soon as insured company acceptable shall be delivered to procure any such insurance and policy of insurance shall be delivered to the beneficiary at least fifteen days prior to the date if the grantor shall fail or any receiver at least fifteen days prior to the date if the deliver said policies to the beneficiary now or hereafter placed on said building, extension of any policy of insurance the same as grantor's expense, to be applied by beneficiary may insure the same or other insurance policy may be collected under any indebtedness secured hereby and in the order as beneficialiciary may determine, or at option of beneficiary the same amount so collected, may determine, may be released to grantor. Such application or release shall not cure or waive any default or notice of default heretofore or invalidate any act done pursuant to such notice.

Free from construction liens and to pay in full
this _____ day of _____, 1909.

[illegible]

7. To appeal any rights or powers of beneficiary or trustee to affect the security interests in which the beneficiary or trustee may appear, including action or proceeding in which the beneficiary or trustee may pay all costs and expenses, including that for the foreclosure of this deed, to the beneficiary or trustee's fees, including evidence of title and mentioned in this paragraph 7, in all cases shall be the amount of attorney's fees mentioned in this paragraph 7, in all cases shall be the amount of attorney's fees and in the event of an appeal of such sum as the stipulated by the trial court, grantor further agrees to pay the beneficiary or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall have the 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 actually paid or to pay all reasonable costs, expenses and attorney's fees necessarily incurred by grantor in such proceedings, shall be paid to beneficiary and incurred by grantor in such proceedings, shall be paid to beneficiary and incurred by grantor in such proceedings, necessarily expended or incurred by beneficiary in the trial and appellate courts, necessarily applied upon the indebtedness incurred in such proceedings, and the balance retained upon the indebtedness secured hereby; and grantor agrees, at his own expense, to take such actions and execute such instruments as may be necessary in obtaining such compensation, promptly upon and from time to time upon written request of beneficiary, and from time to time upon written request of beneficiary.

(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 or charge subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property, the grantee in any reconveyance may be described as any person or persons named in the recitals hereof, and the recitals therein of any matters or facts shall be conclusively proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall be as set forth in the schedule attached hereto. No beneficiary may at any time be named in this paragraph shall be not less than \$5.

[illegible]

11. The entering upon and taking possession of the premises by the Lessor, 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.

[illegible][illegible]

place designated in the notice of sale or the time of sale may be postponed or provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall do so 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 upon the trustee. The sale shall be subject to the terms, conditions and covenants set forth in the plat of the truthfulness thereof. Any purchase at the sale.

[illegible][illegible]

17. Trustee accepts as provided by law, and is obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.510.

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) * ~~for the payment of the loan represented by the above described note and this trust deed~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

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

STATE OF OREGON,

County of Klamath

This instrument was acknowledged before me on April 25, 1989, by

Dorothy J. Jacob

Notary Public for Oregon

My commission expires: 11-19-91

STATE OF OREGON,

County of _____

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. 381)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Wm. Ganong
292 Main
Klamath Falls, Or. 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

By _____ Deputy

Owners
Erwin R. Ritter, L.S.
Dennis A. Ensor

6942

TRU SURVEYING LINE

TELEPHONE (503) 884-3391
2033 SUMMERS LANE - KLAMATH FALLS, OREGON 97603
JANUARY 12, 1989

PARCEL 2 MINOR LAND PARTITION 39-88

A tract of land situated in Tract 45 of Altamont Small Farms in the NW1/4SE1/4 of Section 15, T39S, R9EWM, Klamath County, Oregon, more particularly described as follows.

Beginning at a 5/8" iron pin with Tru-Line Surveying plastic cap on the Easterly right-of-way line of Altamont Drive from which the platted Northwest corner of said Tract 45 bears N88°46'00"W 10.00 feet; thence S00°11'00"W, along said Easterly right-of-way line, 96.34 feet to a 5/8" iron pin with Tru-Line Surveying plastic cap; thence S89°18'20"E 155.00 feet to a 5/8" iron pin with Tru-Line Surveying plastic cap; thence S00°11'00"W 154.00 feet to a 5/8" iron pin with Tru-Line Surveying plastic cap on the South line of said Tract 45; thence S89°18'20"E 392.47 feet to a 5/8" iron pin with Tru-Line Surveying plastic cap marking the Southeast corner of said Tract 45; thence N00°19'00"W 245.25 feet to a 5/8" iron pin with Tru-Line Surveying plastic cap marking the Northeast corner of said Tract 45; thence N88°46'00"W 545.40 feet to the point of beginning containing 2.560 acres and with bearings based on Altamont Drive as being N00°11'00"E.

Erwin R. Ritter
ERWIN R. RITTER O.L.S. 658

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of April A.D., 19 89 at 3:35 o'clock P.M., and duly recorded in Vol. M89
of Mortgages on Page 6940.
FEE \$18.00
By Evelyn Biehn County Clerk
D. A. Ensor