

THIS TRUST DEED, made this 8th day of February, 1977, between
STEVEN G. SANDERS

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:

Lot 10, Block 1; WAGON TRAIL ACRES NUMBER ONE, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 **TWENTY FOUR THOUSAND FIVE HUNDRED TWENTY TWO DOLLARS AND 11/100-----**

of TWENTY-FOUR THOUSAND FIVE HUNDRED THIRTY-ONE 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 February 15, 1991.

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.

WITNESSES: JAMES NICHOLSON

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; and
2. Not to 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, and pay when due all costs incurred therefor.

man, any, without, destroyed thereon and pay when due all costs incurred therefor, to the extent of the value of the property destroyed. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, if the beneficiary so requests, to execute and file with the proper authorities all documents and to execute in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for any searches in the public Code as the beneficiary may require and to pay for any searches made 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.

[illegible]

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, the grantor shall pay all of such taxes; assessments and other charges become due or delinquent and promptly deliver receipts therefor to the beneficiary. Should the grantor fail to make payment of any taxes, assessments, or charges, the beneficiary may, at its option, make payment thereof, by direct payment or by providing beneficiary. In the event the beneficiary makes such payment, beneficiary may at the rate set forth in the note secured by the amount so paid, with the obligations described in paragraphs 6 and 7 of this hereby, add to the principal of the note the sum of the interest on the amount so paid, shall be added to and become a part of the debt secured by the note, without waiver of any rights arising from breach of the covenants hereof and for such payments, the grantor, shall be bound to the beneficiary hereunder described. The grantor, shall be bound to the beneficiary hereunder described, and all such payments shall be immediately due and payable to the beneficiary, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust due immediately due and payable and constitute a breach of this trust and the expenses of this trust including the cost of legal fees and costs incurred by the trustee in connection with the enforcement of this obligation and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect or claiming rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including suits, actions or proceedings for the foreclosure of the mortgage and expenses, in any suit for the foreclosure of the mortgage of the beneficiary's or trustee's attorney's fees, the including evidence of the attorney's fees mentioned in this paragraph 7 in all cases shall be filed by the trial court and in the event of an appeal shall be paid by the appellant as fixed by the trial court and grantor further agree to pay such sum as the appellate court shall deem reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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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 so elected, to require that any portion of the monies payable as compensation or for taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily incurred by grantor in such proceedings, be paid to beneficiary and attorney's fees, applied by it first upon the costs and expenses and attorney's fees, both in and out of appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon, the interest secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as may be necessary in obtaining such compensation and to pay the same 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 thereon; (d) reconvey, without warranty, all or any part of the property. The person who reconveys 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 receiver to be appointed by a court, and by deed, sue upon or 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 the less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary shall direct.

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.

[illegible]

13. Alter the trustee has commenced foreclosure by advertisement and in the manner provided in ORS 86.730 to 86.795.

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 same at the time of auction to the highest bidder for cash. The deed in form as required by law conveying said deliver to the purchaser shall be executed in form as required by law and shall be subject to the deed in form as required by law. The trustee, but including the truthfulness thereof. Any purchase at the sale.

of the truthfulness thereof, the grantor and beneficiary may purchase at the sale. 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 superior to the interest of the trustee in the trust deed as their lien 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, and to the trustee to appoint a successor or successors.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon the death of any trustee, the appointment of a successor trustee by the latter shall be vested with all title, powers and duties of the trustee. The latter shall be appointed by the instrument of appointment upon any trustee herein named or appointed hereunder, and such appointment and substitution shall be made by a written instrument executed by beneficiary, which, when recorded in the public records 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 within this deed, duly executed and acknowledged is made a part of the public record as provided by law. Trustee is not obligated to perform 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 696.585.

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), (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 acknowledgment opposite.)

STATE OF ALASKA
Fourth Judicial District
This instrument was acknowledged before me on
February 8, 1989, by
Steven G. Sanders

Notary Public for Alaska
My commission expires: 02-02-90

STATE OF OREGON,
County of _____
This instrument was acknowledged before me on
19____, by _____

Notary Public for Oregon
My commission expires: _____

REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

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 _____

DATE: _____, 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.		STATE OF OREGON, County of Klamath } ss. I certify that the within instrument was received for record on the 24th day of July, 1989, at 3:39 o'clock P.M., and recorded in book/reel/volume No. M89 on page 13485 or as fee/file/instrument/microfilm/reception No. 2950. Record of Mortgages of said County. Witness my hand and seal of County affixed. EVELYN BIEHN, COUNTY CLERK By _____ Deputy	
TO: KIMMIE Grantor	BENEFICIARY AFTER RECORDING RETURN TO DENALI STATE BANK P.O. BOX 74568 FAIRBANKS, AK 99707-4568 ATTN: CAROLE DANIELS	FEE: \$13.00 18021 DEED MIC 1300-1301	_____ Beneficiary