

20636

WHEN RECORDED RETURN TO:

Bonita H. Cheyne  
 12333 Spring Lake Road  
 Klamath Falls, OR 97603

# CERTIFICATE OF TRUST

## The Bonita H. Cheyne Family Trust

BONITA H. CHEYNE hereby certifies that:

A. She created a trust, that she is the trustor of that certain Declaration of Trust, dated August 30, 1990, and that BONITA H. CHEYNE is the trustee of the trust. The trust is known as THE BONITA H. CHEYNE FAMILY TRUST.

B. If BONITA H. CHEYNE shall for any reason fail to qualify or cease to act as trustee, GREGORY JOHN CHEYNE shall serve as sole trustee of the trust estate. If GREGORY JOHN CHEYNE shall for any reason fail to qualify or cease to act as trustee, then JEFFREY MCCAULEY CHEYNE shall act as sole trustee. If JEFFREY MCCAULEY CHEYNE shall for any reason fail to qualify or cease to act as trustee, then LEE MICHAEL CHEYNE and GARY THOMAS CHEYNE shall act as Co-Trustees. If BONITA H. CHEYNE, GREGORY JOHN CHEYNE, or JEFFREY MCCAULEY CHEYNE is acting as sole trustee, she or he may appoint U.S. NATIONAL BANK as Co-Trustee.

C. The trust may be altered, amended, revoked or terminated during the lifetime of BONITA H. CHEYNE.

D. The trustee of the trust, as amended, is possessed with all of the following rights and powers among others:

### 1. Broad Investment Powers Diversification Not Required

To invest and reinvest all or any part of the trust estate in such common or preferred stocks, shares of investment trusts and investment companies, bonds, debentures, mortgages, deeds of trust, mortgage participations, notes, real estate or other property as the trustee in the trustee's discretion may select. The trustee may continue to hold in the form in which received (or the form to which changed by reorganization, split-up, stock dividend or other like occurrence) any securities or other property the trustee may at any time acquire under this trust, it being the trustor's express desire and intention that the trustee shall have full power to invest and reinvest the trust fund without being restricted to forms of investment that the trustee may otherwise be permitted to make by law. The investments need not be diversified.

'90 SEP 25 AM 11 38

## 2. To Retain Property

To continue to hold any property including any shares of the trustee's own stock and to operate at the risk of the trust estate any business that the trustee receives or acquires under the trust as long as the trustee deems advisable.

## 3. Power to Manage Securities

To have all the rights, powers and privileges of an owner with respect to the securities held in trust, including, but not limited to, the powers to vote, give proxies and pay assessments; to participate in voting trusts, pooling agreements, foreclosures, reorganizations, consolidations, mergers and liquidations, and incident to such participation to deposit securities with and transfer title to any protective or other committee on such terms as the trustee may deem advisable; and to exercise or sell stock subscription or conversion rights.

## 4. To Sell, Exchange, Repair

To manage, control, grant options on, sell (for cash or on deferred payments), convey, exchange, partition, divide, improve and repair trust property.

## 5. To Lease

To lease trust property for terms within or beyond the term of the trust for any purpose, including exploration for and removal of gas, oil and other minerals; and to enter into community oil leases, pooling, and unitization agreements.

## 6. To Loan to, Buy from, and Sell to Trust Individually

To loan or advance the trustee's own funds to the trust for any trust purpose, with interest at current rates; to receive security for such loan in the form of mortgage, pledge, deed of trust, or other encumbrance of any assets of the trust; to purchase assets of the trust at their fair market value as determined by an independent appraisal of those assets; and to sell property to the trust at a price not in excess of its fair market value as determined by an independent appraisal.

## 7. Release of Powers

To release or to restrict the scope of any power that the trustee may hold in connection with the trust created under this instrument, whether such power is expressly granted in the instrument or implied by law. The trustee shall exercise this power in a written instrument executed by the trustee, specifying the powers to be released or restricted and the nature of the restriction.

8. To Adjust for Tax Consequences

To take any action and to make any election, in the trustee's discretion, to minimize the tax liabilities of this trust and its beneficiaries, and the trustee shall allocate the benefits among the various beneficiaries, and the trustee shall make adjustments in the rights of any beneficiaries, or between the income and principal accounts, to compensate for the consequences of any tax election or any investment or administrative decision that the trustee believes have had the effect of directly or indirectly preferring one beneficiary or group of beneficiaries over others.

9. To Borrow

To borrow money and to encumber trust property by mortgage, deed of trust, pledge or otherwise.

10. To Commence or Defend  
Litigation and to Compromise

To commence or defend, at the expense of the trust, such litigation with respect to the trust or any property of the trust estate as the trustee may deem advisable, and to compromise or otherwise adjust any claims or litigation against or in favor of the trust.

11. To Insure

To carry insurance of such kinds and in such amounts as the trustee deems advisable, at the expense of the trust to protect the trust estate and the trustee personally against any hazard.

12. To Withhold Payment if  
Conflicting Claims Arise

To withhold from distribution, in the trustee's discretion, at the time for distribution of any property in this trust, without the payment of interest, all or any part of the property, as long as the trustee shall determine in the trustee's discretion that such property may be subject to conflicting claims, to tax deficiencies, or to liabilities, contingent or otherwise, properly incurred in the administration of the estate.

13. To Purchase Treasury Bonds

To purchase, in the trustee's discretion, at less than par, obligations of the United States of America that are redeemable at par in payment of any federal estate tax liability of the trustor in such amounts as the trustee deems advisable. The trustee shall exercise the trustee's discretion and purchase such obligations if the trustee has reason to believe that the trustor is in substantial danger of death, and may borrow funds and give security from that purpose. The trustee shall resolve any doubt

concerning the desirability of making the purchase and its amount in favor of making the purchase and in purchasing a larger, even though somewhat excessive, amount. The trustee shall not be liable to the trustor, any heir of the trustor, or any beneficiary of this trust for losses resulting from purchases made in good faith. The trustee is directed to redeem any such obligations that are a part of trust corpus to the fullest extent possible in payment of federal estate tax liability of the trustor.

#### 14. Broad Powers of Distribution

To partition, allot and distribute the trust estate on any division or partial or final distribution of the trust estate in an undivided interest or in kind, or partly in money and partly in kind, at valuations determined by the trustee, and to sell such property as the trustee may deem necessary to make division or distribution. In making any division or partial or final distribution of the trust estate, the trustee shall be under no obligation to make a prorata division, or to distribute the same assets to beneficiaries similarly situated; but rather, the trustee may, in the trustee's absolute discretion, make a non-prorata division between trusts or shares and non-prorata distributions to such beneficiaries, as long as the respective assets allocated to separate trusts or shares, or distributed to such beneficiaries, have equivalent or proportionate fair market value, without regard to any income tax consequences to the beneficiaries.

I certify under penalty of perjury that I have read the foregoing Certificate of Trustor, and that it correctly states the terms and conditions under which the property is to be held and administered and the powers of the trustee.

Executed at Klamath Falls, Oregon, on September 20, 1990.

Bonita H. Cheyne  
BONITA H. CHEYNE  
Trustor and Trustee

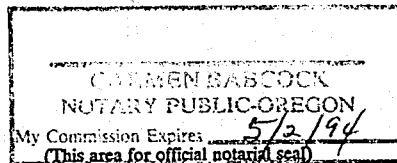
STATE OF OREGON           )  
                                  )  
COUNTY OF KLAMATH    )

On Sept 20, 1990, before me, the undersigned, a Notary Public in and for said State, personally appeared BONITA H. CHEYNE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same.

WITNESS my hand and official seal.

SIGNATURE

Carmen Babcock



## The Bonita H. Cheyne Family Trust Property Description:

Commencing at a point in the center of the county road at the northwest corner of southwest quarter of southwest quarter of Section 2, township 40 S.R. 9 E.W.M., and running thence easterly along the north line of said quarter section a distance of 493 feet; thence southerly parallel with the center line of said county road a distance of 407 feet; thence westerly parallel with the initial course of this description a distance of 493 feet; thence northerly along the center line of said county road a distance of 407 feet to the point of beginning, said parcel of land consisting of 4.606 acres, more or less, in the northwest corner of southwest quarter of southwest quarter of said Section 2, Twp 40 S.R. 9 E.W.M.,

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Bonita H. Cheyne the 25th day  
 of Sept. A.D., 19 90 at 11:38 o'clock A.M., and duly recorded in Vol. M90,  
 of Deeds on Page 19311.

FEE \$48.00

Evelyn Biehn . County Clerk

By Rauline Mullendore