

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.

SEE EXHIBIT "A" FOR ADDENDUM TO DEED OF TRUST

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) for the benefit of the grantor's personal, family or household purposes (used for the purchase, improvement or maintenance of real property)
(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 OREGON

County of Klamath

This instrument was acknowledged before me on July 19, 1991, by

Harvey W. Houston and Charleen K. Houston

(SEAL)

Notary Public for Oregon

My commission expires: 11/16/91

Harvey W. Houston

Charleen K. Houston

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. 881)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

m+c

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ } ss.

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

ADDENDUM TO DEED OF TRUST

26. Wraparound Deed of Trust

- a. This Deed of Trust is a "Wraparound" or "All-inclusive" Deed of Trust. The debts secured hereby in this Deed of Trust are subject to the following:
- i. That certain promissory note ("prior note") in the original principal sum of SIXTY-FIVE THOUSAND AND 00/100 DOLLARS -----
\$ 65,000.00)
 dated February 14, 1991
 executed by ROBERT C. ROBERTSON, PATRICK G. HUYCKE
DONALD H. FOSTER, DALTON LEE GRESSETT, Trustee of the D.L. Gressett Trust
 payable to the order of BANK OF SOUTHERN OREGON
 which is secured by a deed of trust ("prior deed of trust") dated February 14, 1991
 given by Robert C. Robertson, Patrick G. Huycke, Donald H. Foster, Dalton Lee Gressett, trustee of the D.L. Gressett Trust
 to ASPEN TITLE AND ESCROW INC.
Trustee, for the benefit of
Bank of Southern Oregon
 recorded on February 20, 1991
 in the records of Klamath
Oregon, as
 Document No. _____ in Volume
M91 at Page 3089.
- ii. That certain promissory note ("prior note") in the original principal sum of _____
 _____ (\$ _____)
 dated _____, executed
 by _____
 payable to the order of _____
 which is secured by a deed of trust ("prior deed of trust") dated _____
 _____, given by _____
 to _____

C.K.H.
H

Trustee, for the benefit of _____
 _____, recorded on _____
 in the records of _____
 County, _____, as
 Document No. _____, in
 Volume _____, at Page _____.

- b. So long as Borrower shall not be in default under any of the terms and provisions of the note secured hereby or under the terms of this deed of trust, lender shall make payments as shown and when due under the terms of the prior notes and prior deeds of trust. Lender's obligation to make payments shall be limited to the extent of payments of principal and interest received by lender upon the note hereby secured. This obligation of lender shall continue until such time as the note secured hereby shall have been paid in full, at which time lender shall cause the prior notes and prior deeds of trust to be satisfied and reconveyed, respectively. At such time as the note secured hereby has been paid in full according to its terms, this deed of trust and all other instruments securing the note shall be released both in fact and of record.
- c. Notwithstanding anything herein or in the note secured hereby to the contrary, borrower shall be in default if borrower shall have failed to perform or comply with any term, covenant or condition hereunder or under prior notes or the prior deeds of trust and such failure shall continue for a period of ten (10) days following written notice of such failure. In the event of any such default lender shall have the right to exercise each and any of the remedies provided in this note, this deed of trust, or by the laws of the State of Oregon. Borrower shall be liable for and pay any late charges, penalties or premiums or any amounts required to be paid in addition to principal and interest or any installment of principal or interest which becomes due by lender in making payments on the prior notes if such charges, penalties, premiums or amounts are incurred as a result of late payments on the note made by borrower.

[Handwritten signature]
 C.L.H.

d. Borrower hereby covenants and agrees with, and solely for the benefit of the lender, that:

- i. Borrower will timely perform and observe the covenants and agreements on the part of the borrower to be performed or observed under the terms of the prior notes and prior deeds of trust except for the payment of principal and interest under the prior notes, during those periods when that is the obligation of lender as provided herein, hereby acknowledging that the occurrence of any event which, with notice or the passage of time or both, constitutes a default thereunder shall be and constitutes a default hereunder;
- ii. Borrower will deliver to lender copies of any and all notices, documents and instruments required to be delivered to or which are received from, the holder of the prior notes under the terms thereof or under the prior deeds of trust;
- iii. If for any reason, other than lender's failure to make payments of installments of principal or interest on the prior notes and prior deeds of trust, the indebtedness secured by either of the prior notes or prior deeds of trust is accelerated or the subject property or any part thereof is sold or attempted to be sold through foreclosure proceedings pursuant to such prior notes and prior deeds of trust or any remedial action or proceeding is taken or instituted in respect to the prior notes or prior deeds of trust, borrower will indemnify lender against any loss, cost or expense incurred by lender, including reasonable attorney's fees, in contesting any such action

taken or instituted or in attempting to reinstate the prior notes or prior deeds of trust or incurred by lender on account of the acceleration of the prior notes, prior deeds of trust, the sale of the real property subject to the prior notes or the lender's purchase or payment of the prior notes and deeds of trust.

- e. Notwithstanding any other provisions in this trust deed, if, pursuant to the prior notes or prior deeds of trust, insurance proceeds in respect of any damage or destruction or any award or payment applicable to a taking by eminent domain are applied against the prior notes, lender may declare the note secured hereby immediately due and payable at any time thereafter unless the property remaining after any such taking or damage or destruction is sufficient in lender's sole judgment to adequately secure the payment of the note hereby secured.
- f. References contained in this deed of trust to the obligations of the lender to pay the sums owing on the prior notes and prior deeds of trust shall not constitute an assumption of liability for any such payment or create any rights in any third party.
- g. The lender shall always be deemed to have, in the event of any default of the prior notes or prior deeds of trust, the absolute right, but not the obligation, to take such steps or advance such money as shall be necessary to cure any such defaults. In the event any such action is taken, the lender shall be subrogated to the rights of the holders of the prior notes and prior deeds of trust and any money so advanced shall be deemed an additional advance secured by this deed of trust, and shall accrue interest at the same rate provided for the promissory note secured hereby.
- h. This deed of trust has been executed and delivered in the State of Oregon. The rights and liabilities of the parties with respect to this deed of trust shall be governed by the laws of the State of Oregon.

4 - Exhibit "A"

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 8th day of July A.D., 19 91 at 10:49 o'clock A.M., and duly recorded in Vol. M91 of Mortgages on Page 12890.

FEE \$33.00

Evelyn Biehn, County Clerk

By Douglas M. Mendenhall