SEE EXHIBIT A WHICH IS MADE A PART HEREOF 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.

tion with said real estate.

SECURING PERFORMANCE of each afreement of grantor herein contained and payment of the FOR THE PURPOSE AND TIVE HUNDRED AND NO 100 this formatter herein contained and payment of the

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 August 02 19 2001

becomes due and payable. In the event the sand conveyed, assigned or alienated by the grantor without first has sold, conveyed, assigned or alienated by the grantor without first has then, at the beneficiary's option, all obligations secured by this instruct, herein, shall become immediately due and payable.

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. To complete or restore promptly and be constructed, damaged or manner any building or improvement which incurred therefor.

3. To comply with all said property; if the beneficiary so request to distroyed thereon, and pay when due ardinances, resultations, covenants, conditions and restrictions all manners as statements pursuant to the United Statements of the same in the civil condition of the or offices, as well as the cost of all lien searches made to be beneficiary may require and to pay the fine same in the civil condition of the or offices, as well as the cost of all lien searches made to be succeptable of the or offices, as well as the cost of all lien searches made to the said premises against loss or damage by the now of hereafter hards as the beneficiary may from time to time equire, in any such other hards as the beneficiary with loss payable to the latter; all compass of insurance shall be delivered to procure any such insurance and to if the grantor shall all for any reson at least litter days prior to the expiration of any policy of procure the same at grant litter days prior to the expiration of any policy of procure the same at grantor's expense and building the beneficiary; which loss payable to the latter; all collected or any policy of procure the same at grantor's expense of the prior of the pri

It is mutually aftered 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 right, if it so elects, to require that all or any portion of the monies payable to pay all reasonable costs, expenses and attorney's less necessarily paid or in payable reasonable costs, expenses and attorney's less, supplied by it lirst upon any reasonable costs and expenses and attorney's less, possible in the trial and appellate coursesarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness recurred hereby; and grantor agrees, at its own expense, to take such actions secured hereby; and grantor agrees, at all be necessary in obtaining such compensation, promptly upon beneficiary to time upon written request of the payable to the deed and the exist of the conditional properties of the payable of the payable of the deed and the exist for endorsement (in case of fully approximation of this deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of fully approximation of the deed and the exist for endorsement (in case of

stanting any easement or creating any testriction thereon; (c) join in any subordination or other agreement allecting this deed or the lien or charter thereol; (d) reconvey, without wateranty, 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 thereto d any matters or lacts 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 \$\$.

10. Upon any default by granter hereunder, heneliciary may at any time without notice, either in person by agent or by a receiver to he appointed by a court, and without regard to the adequacy of any security tor pointed by a court, and without regard to the adequacy of any security tor the indebtedness hereby secured, enter upon and take passession of said property or any part thereton those past due and unpaid, and apply some services and profits, including there are not otherwise collect the subject of the application of peration and collection, including transmitch attractions and expension of peration and collection, including transmitch attractions and expension of said property, the 11. The entering upon and taking possession of said property, the collection of such ents, issues and profits, or the proceeds of the and other insurance policies or compensation or awards for any taking are damade of the insurance policies or compensation or awards for any taking are damade of the insurance policies or compensation or awards for any taking and apply the application or release thereof as aboressid, and the act can be application or release thereof as aboressid, and the cure or property, and the application or release thereof as aboressid and the restrict of such paramet and/or performance, the heneliciary may declare all restricts to such paramet and/or performance, the heneliciary may declare all restricts and can be application or release thereof as aboressid to the restrict of the parameter

logether with trustee's and attorney's lees not exceeding the amounts provided by law. 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 place designated in the notice of sale or the time to which said sale may person and the property either in one parcel or in separate parcels and shall sell the parcel or parcels are said said spoperty either in one parcel or in separate parcels and shall sell the parcel of 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 lact shall be conclusive proof of the truthfulness thereof. Any purchase at the sale.

15. When trustee sells are to pay purchase at the sale.

15. When trustee sells to payment of (1) the expenses of sale, including the compensation of the trustee in at reasonable charke by trustees shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee in at reasonable charke by trustees attorney. (2) to the obligation secured by the trust deed, (3) to all present having trooded here subsequent to 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 granter or to his successor in interest entitled to such surplus, if any, to the granter or to his successor in interest entitled to such surplus.

great as the surplus, if any, to the grantor or to his successor in interest entired to surplus.

16. Beneficiary may from time to time appoint a successor of successor surplus.

Sors to any trustee named herein or to any successor trustee appointed here under. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all fifte, powers and duties confirted trustee, the latter shall be vested with all fifte, powers and duties confirted trustee, the latter shall be made by written instrument executed by beneficiary, and substitution shall be made by written instrument executed by beneficiary, and substitution shall be made by written instrument executed by beneficiary, and the instrument executed by the substitution shall be made by written instrument executed by beneficiary, and the property is situated, shall be consistent of proper appointment of the successor trustee.

17. Trustee sevents this trust a Sen this deed, duty executed and acknowledged in made public test of as possible law Trustee is not appeared by the substitution of any action or proceeding in which granter, 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

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.

LEONE HAE BLANCHARD

| | REGON, County of the description |
|--|--|
| This inst | rument was acknowledged before me on Ringard 6 ,1997. 10.1 Patrick of Californ H. Con Y S. 10.1 Patrick of A. Patrick H. Con D. |
| OFFICIAL SEAL AURELIA J. McCULLOUGH ROTATA PULLE, CALL ORDER SAN EMPLICIP DE DOMN TO COMM. ELDERS 44, 23, 733 | My commission expires 10.40 |
| OFFICIAL SE/ L AURELIA J. McCUllible J. NOTARY PLOUS. CALFORNA SAM BERNARONO COURTY My Corne. Espiras May 29, 1993 | 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

, 19......

DATED:

Beneficiary

| TRUST DEED [FORM No. 881] STEVENS.NESS LAW PUB.CO PORTLAND. ORE. LEONE MAE BLANCHARD and CLIFTO | | STATE OF OREGON, County of I certify that the with was received for record on t. | ss. |
|--|-----------------------------------|--|------------------------------------|
| 7222 CHURCH AVE. HIGHLAND, CA 92346 | | of | and recorded |
| WILLIAM K. KALITA P. O. BOX 431 CHILOQUIN, OR 97624 Beneticiary | SPACE RESERVED FOR RECORDER'S USE | in book/reel/volume No pageor as fe ment/microfilm/reception Record of Mortgages of sain Witness my hand | e/file/instru- No, d County. |
| AFIER RECORDING RETURN TO | | County affixed. | |
| OF KLAMATH COUNTY | | NAME | TITLE |
| · · · · · | | Ву | Deputy |

EXHIBIT "A" LEGAL DESCRIPTION

Lots 10, 11 and 12 in Block 3 of WOODLAND PARK, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. TOGETHER WITH an undivided 3/88ths interest in the following described parcels:

PARCEL 1:

Beginning at the Northwest corner of said Section 15, Township 34 South, Range 7 East of the Willamette Meridian and running thence along the North line of said Section, North 89 degrees 42' 15" East 400 feet; thence South 62.42 feet; thence South 46 degrees 57' 20" West 408.82 feet to the Northeasterly bank of the Williamson River; thence following said river bank North 37 degrees 53' 20" West 136.90 feet; thence North 16 degrees 33' West 60.98 feet to the West line of Section 15; thence Northerly on said Section line 172.92 feet to the point of beginning.

PARCEL 2:

Beginning at the Northwest corner of Section 15, Township 34 South, Range 7 East of the Willamette Meridian and running thence North 89 degrees 42' 15" East 400.0 feet along the North line of said Section 15; thence South 62.42 feet; thence South 50 degrees 43' 50" East 453.16 feet; thence South 76 degrees 17' 30" East 886.79 feet to the true point of beginning of this description; thence South 35 degrees 56' 30" West 446.55 feet to a point on the Northeasterly bank of Williamson River; thence South 45 degrees 32' 20" East 84.00 feet; thence North 44 degrees 52' 10" East 411.58 feet; thence North 34 degrees 25' 40" West 156.01 feet, more or less, to the true point of beginning of this description.

| CTATE OF | OREGON: | COUNTY | oF | KLAMATH: | SS. |
|----------|----------|--------|----|----------|-----|
| SIALE OF | OKLOGIII | | | | |

| STATE OF | OKEGO C | mirlo Co | the 16th day |
|--------------|---------------------------------------|--|----------------------|
| Filed for re | ecord at request of A.D., 19 _91 at . | Mountain Title Co. 2:19 o'clock PM., and duly gages on Page 16297 | recorded in Vol. M91 |
| of | ofMort | Evelyn Biehn | County Clerk |
| FEE | \$18.00 | By <u>Cauteui</u> | GYVIIII ACC |