

Recording Requested by  
WELLS FARGO BANK, NATIONAL ASSOCIATION

And when recorded return to:  
WELLS FARGO BANK, NATIONAL ASSOCIATION  
Mid-Valley Regional Commercial Banking Office  
P. O. Box 949  
Modesto, California 95353

Attention: Loan Support Group  
Loan No: 569-808-1377

INTL 25609  
D E E D O F T R U S T  
With Assignment of Leases and Rents,  
Security Agreement and Fixture Filing

THIS DEED OF TRUST is made as of January 22, 1992, by  
DUANE F. MARTIN and MARLENE J. MARTIN ("Trustor"), to MOUNTAIN  
TITLE COMPANY OF KLAMATH COUNTY ("Trustee"), for the benefit of  
WELLS FARGO BANK, NATIONAL ASSOCIATION ("Beneficiary").

ARTICLE I. GRANT IN TRUST

1.01 Grant. For the purposes and upon the terms and conditions contained in this Deed of Trust, Trustor irrevocably grants, conveys and assigns to Trustee, in trust for the benefit of Beneficiary, with power of sale and right of entry and possession, all that real property located in the County of Klamath, State of Oregon, and described on Exhibit A attached hereto, together with all appurtenances, easements, rights and rights-of-way appurtenant or related thereto, all buildings, other improvements and fixtures now or hereafter located thereon, all interest or estate which Trustor may hereafter acquire in the property described above, and all additions and accretions thereto ("Subject Property"). The listing of specific rights or property shall not be interpreted as a limitation on general terms.

1.02 Address. The address of the Subject Property (if known) is:

However, neither the failure to designate an address nor any inaccuracy in the address designated shall affect the validity or priority of the lien of this Deed of Trust on the Subject Property.

ARTICLE II. OBLIGATIONS SECURED

2.01 Obligations Secured. Trustor makes this grant, conveyance and assignment for the purpose of securing the following obligations ("Secured Obligations"):

- (a) Payment to Beneficiary of all sums at any time owing under a promissory note ("Note") of even date herewith, in the principal amount of SIX HUNDRED FORTY THOUSAND DOLLARS (\$640,000.00), executed by Trustor and payable to the order of Beneficiary;
- (b) Payment and performance of all obligations of Trustor under this Deed of Trust or any of the other Loan Documents (as hereinafter defined);
- (c) Payment and performance of all future advances and other obligations that the then record owner of the Subject

Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Beneficiary, when the obligation is evidenced by a writing which recites that it is secured by this Deed of Trust; and

(d) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced, including, without limitation: (i) modifications of the required principal and/or interest payment dates, deferring or accelerating payment dates wholly or partly; or (ii) modifications, extensions or renewals at a different rate of interest whether or not, in the case of a promissory note, the modification, extension or renewal is evidenced by a new or additional promissory note.

**2.02 Obligations.** The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include, without limitation, all interest and charges, prepayment charges, late charges and loan fees at any time accruing or assessed on any of the Secured Obligations.

**2.03 Loan Documents.** For the purposes of this Deed of Trust, the term "Loan Documents" shall mean the Note, this Deed of Trust and all other documents or instruments executed by Trustor and evidencing or securing the indebtedness evidenced by the Note or otherwise pertaining thereto.

**2.04 Incorporation.** All terms of the Loan Documents are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Loan Documents and to have notice, if provided therein, that the rate of interest on one or more Secured Obligations may vary from time to time.

**2.05 Waiver of Marshalling Rights.** Trustor, for itself and for all parties claiming through or under Trustor, and for all parties who may acquire a lien on or interest in the Subject Property, hereby waives all rights to have the Subject Property and/or any other property which is now or later may be security for any Secured Obligation ("Other Property") marshalled upon any foreclosure of this Deed of Trust or on a foreclosure of any other security for any of the Secured Obligations. Beneficiary shall have the right to sell, and any court in which foreclosure proceedings may be brought shall have the right to order a sale of, the Subject Property and any or all of the Other Property as a whole or in separate parcels, in any order that Beneficiary may designate.

### ARTICLE III. ASSIGNMENT OF LEASES AND RENTS

**3.01 Assignment.** Trustor irrevocably assigns to Beneficiary (a) all of Trustor's right, title and interest in, to and under all leases; licenses; agreements relating to the management, leasing or operation of the Subject Property; and other agreements of any kind relating to the use or occupancy of the Subject Property, whether now existing or entered into after the date hereof ("Leases"), and (b) the rents, issues and profits of the Subject Property, including, without limitation, all amounts payable and all rights and benefits accruing to Trustor under the Leases ("Payments"), for the purposes and upon the terms and conditions set forth below. The term "Leases" shall also include all guarantees of and security for the lessees' performance thereunder, and all amendments, extensions, renewals or modifications thereto which are permitted hereunder. This is a present and absolute assignment, not an assignment for security purposes only, and Beneficiary's right to the Leases and Payments is not contingent upon, and may be exercised without possession of, the Subject Property.

3.02 License. Beneficiary confers upon Trustor a license ("License") to collect and retain the Payments as they become due and payable, until the occurrence of a Default (as hereinafter defined). Upon a Default, the License shall be automatically revoked and Beneficiary may collect and retain the Payments without notice and without taking possession of the Subject Property. Trustor hereby irrevocably authorizes and directs the lessees under the Leases to rely upon and comply with any notice or demand by Beneficiary for the payment to Beneficiary of any rental or other sums which may at any time become due under the Leases, or for the performance of any of the lessees' undertakings under the Leases, and the lessees shall have no right or duty to inquire as to whether any Default has actually occurred or is then existing hereunder. Trustor hereby relieves the lessees from any liability to Trustor by reason of relying upon and complying with any such notice or demand by Beneficiary.

3.03 Effect of Assignment. The foregoing assignment shall not impose upon Beneficiary any duty to produce rents, issues or profits from the Subject Property, or cause Beneficiary to be (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor under any of the Leases; or (c) responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Subject Property or any negligence in the management, upkeep, repair or control of the Subject Property. Beneficiary shall not be liable to Trustor or any other party as a consequence of the exercise of the rights granted to Beneficiary hereunder or the failure of Beneficiary to perform any obligation of Trustor arising under the Leases.

3.04 Leasing Covenants. Trustor covenants and agrees as follows:

(a) At Trustor's sole cost to: (i) perform all obligations of the lessor under the Leases and enforce performance by the lessees of their obligations under the Leases; (ii) subject to the provisions of subparagraph (b)(iv) below, enforce all remedies available to Trustor in case of default by the lessees under any of the Leases and prosecute and defend any action, arbitration or other controversy relating to any of the Leases or to Trustor's interest in any of the Leases; (iii) give Beneficiary prompt notice of any default which occurs under any of the Leases, whether by the lessees or Trustor; (iv) exercise best efforts to keep all portions of the Subject Property leased at all times at rentals not less than the fair market rental value; (v) promptly upon execution, deliver to Beneficiary fully executed counterpart originals of the Leases; and

(b) Except with Beneficiary's prior written consent, not to: (i) enter into any Leases after the date hereof; (ii) execute any other assignment relating to any of the Leases or the Payments; (iii) discount any rent or other sums due under the Leases or collect the same in advance, other than to collect rent one (1) month in advance of the time when it becomes due; (iv) terminate, modify or amend any of the terms of the Leases or release or discharge the lessees from any obligations thereunder; (v) consent to any assignment or subletting by any lessee; or (vi) subordinate any of the Leases to any other deed of trust or encumbrance. Any such attempted action in violation of the provisions of this subparagraph 3.04(b) shall be voidable at Beneficiary's election.

3.05 Application of Rents. Beneficiary, in its sole discretion, may apply, or require the application of, all amounts received pursuant to the foregoing assignment to the payment of any one or more of the Secured Obligations in such order as Beneficiary may elect.

3.06 Estoppel Certificates. Within twenty (20) days after request by Beneficiary, Trustor shall deliver to Beneficiary and to any party designated by Beneficiary estoppel certificates executed by Trustor and by each of the lessees, in recordable form, certifying (if such be the case): that the foregoing assignment and the Leases are in full force and effect; the date of each lessee's most recent payment of rent; that there are no defenses or offsets outstanding or stating those claimed by Trustor or lessees under the foregoing assignment or the Leases, as the case may be; and any other information reasonably requested by Beneficiary.

3.07 Remedies. In addition to any other remedies contained in this Deed of Trust, Beneficiary shall have the following rights and remedies upon the occurrence of a Default:

(a) To receive the Payments and any other amounts arising or accruing under the Leases or from the Subject Property;

(b) To collect, sue for, settle, compromise and give releases for the Payments and pursue any remedies for the enforcement of the Leases or Trustor's rights thereunder and Trustor's rights thereunder; and

(c) To take possession of the Subject Property, and hold, manage, lease and operate the same on such terms and for such period of time as Beneficiary may deem proper and, either with or without taking possession of the Subject Property, in its own name, make from time to time all alterations, renovations, repairs or replacements thereto or thereof as Beneficiary may deem proper.

3.08 Definitions. The terms "lessor" and "lessors" as used in this Deed of Trust shall include all owners, landlords, licensors and other parties in a similar position with respect to the Leases. The terms "lessee" and "lessees" shall include any tenants and licensees and any other parties in a similar position and shall also include any guarantors of or other obligors under the Leases.

#### ARTICLE IV. SECURITY AGREEMENT AND FIXTURE FILING

4.01 Security Interest. In order additionally to secure the payment and performance of the Secured Obligations, Trustor hereby grants, conveys and assigns to Beneficiary a security interest in the following described personal property in which Trustor now or at any time hereafter has any interest ("Collateral"):

All goods, building and other materials, supplies, work in process, equipment, machinery, fixtures, furniture, furnishings, signs and other personal property, wherever situated, which are or are to be incorporated into, used in connection with, or appropriated for use on, the Subject Property; together with all rents, issues and profits, and all inventory, accounts, deposit accounts, accounts receivable, contract rights, general intangibles, chattel paper, instruments, documents, notes, drafts, letters of credit, insurance policies, insurance and condemnation awards and proceeds, trade names, trademarks and servicemarks arising from or related to the Subject Property or any business conducted thereon by Trustor; together with all books, records and files relating to any of the foregoing; and together with all replacements

and proceeds of, and additions and accessions to, any of the foregoing.

**4.02 Rights of Beneficiary.** In addition to Beneficiary's rights as a "Secured Party" under the Oregon Uniform Commercial Code, as amended or recodified from time to time ("UCC"), Beneficiary may, but shall not be obligated to, at any time without notice and at the expense of Trustor: (a) give notice to any person of Beneficiary's rights hereunder and enforce rights; (b) insure, protect, defend and preserve the Collateral or any rights or interests of Beneficiary therein; (c) inspect the Collateral; and (d) endorse, collect and receive any right to payment of money owing to Trustor under or from the Collateral. Trustor shall have no duty or obligation to make or give any presentments, demands for performance, notices of nonperformance, notices of protest or notices of dishonor in connection with any of the Collateral.

**4.03 Collateral Designation Statement.** Trustor shall, from time to time within five (5) days following Beneficiary's request, deliver to Beneficiary a written statement showing the description and location of all Collateral then subject to Beneficiary's security interest.

**4.04 Beneficiary's Rights on Default.** Upon the occurrence of a Default, and in addition to all of Beneficiary's rights as a "Secured Party" under the UCC, or otherwise by law:

(a) Beneficiary may (i) upon written notice, require Trustor to assemble any or all of the Collateral and make it available to Beneficiary at a place designated by Beneficiary; (ii) without prior notice, enter upon the Subject Property or any other place where any of the Collateral may be located and take possession of, collect, sell and dispose of any or all of the Collateral, and store the same at locations acceptable to Beneficiary at Trustor's expense; (iii) sell, assign and deliver at any place or in any lawful manner all or any part of the Collateral and bid and become purchaser at any such sale; and

(b) Beneficiary may, for the account of Trustor and at Trustor's expense: (i) operate, use, consume, sell or dispose of the Collateral as Beneficiary deems appropriate for the purpose of performing any or all of the Secured Obligations; (ii) enter into any agreement, compromise or settlement, including insurance claims, which Beneficiary may deem desirable or proper with respect to any of the Collateral; (iii) indorse and deliver evidences of title for, and receive, enforce and collect by legal action or otherwise, all indebtedness and obligations now or hereafter owing to Trustor in connection with any or all of the Collateral; and (iv) perform any of the Secured Obligations.

Notwithstanding any of the provisions hereof, Beneficiary shall not be deemed to have accepted any property other than cash in satisfaction of any obligation of Trustor to Beneficiary unless Beneficiary shall make an express written election of such remedy under UCC Section 9505, or other applicable law.

**4.05 Trustor's Undertakings.** Trustor, at its sole cost, shall prepare, execute, file or record such financing statements, continuation statements, applications for registration and like documents as Beneficiary shall deem necessary in order to create, perfect or preserve any of Beneficiary's security interests and rights in or to any of the Collateral. In addition, Trustor agrees to pay within five (5) days following Beneficiary's demand, all expenses, including, without limitation, attorneys' fees and court costs, both at trial and in all appellate proceedings, incurred by Beneficiary in connection with the creation, perfection, preservation or enforcement of any of the security interests in the Collateral.

4.06 Fixture Filing. This Deed of Trust constitutes a fixture filing under Sections 9313 and 9402 of the UCC as to any of the Collateral which is or may become a "fixture" under applicable law. This fixture filing is to be recorded in the real estate records of the county in which the Subject Property is located.

#### ARTICLE V. REPRESENTATIONS AND WARRANTIES

Trustor hereby makes the following representations and warranties as of the date hereof and continuing thereafter:

5.01 Organization. If other than an individual, Trustor has been duly organized and is validly existing and in good standing under the laws of the jurisdiction of its creation. Trustor has the legal power and authority to own and operate the Subject Property and to carry on its business as presently conducted, and has, or at all appropriate times shall have, properly obtained all permits, licenses and approvals of governmental authorities necessary to occupy, operate and/or lease the Subject Property.

5.02 Authorization. Enforceability. The execution, delivery and performance of the Note, this Deed of Trust and the other Loan Documents have been duly authorized by all requisite action by Trustor, and the Note, this Deed of Trust and the other Loan Documents are the valid and binding obligations of Trustor.

5.03 Compliance. Trustor's undertakings in the Note, this Deed of Trust or the other Loan Documents do not violate any applicable statute, ordinance, rule, regulation or order of any court or governmental authority, or conflict with or constitute a breach or default under any agreement by which Trustor is bound or regulated; and Trustor is not otherwise in violation of any statute, ordinance, rule, regulation or order of any court or governmental authority. There are no suits, actions or proceedings pending or, to Trustor's knowledge, threatened against Trustor other than those disclosed to Beneficiary in writing.

5.04 Financial Information. All financial information delivered by Trustor to Beneficiary, including, without limitation, information relating to the financial condition of Trustor, any partners or joint venturers of Trustor, or any guarantors, fairly and accurately represents such financial condition and has been prepared in accordance with generally accepted accounting principles consistently applied, unless otherwise noted in such information. No material adverse change in such financial condition has occurred.

5.05 Accuracy. All reports, documents, instruments, papers, data, information and forms of evidence delivered to Beneficiary with respect to any Secured Obligation are accurate and correct, are complete insofar as completeness may be necessary to give Beneficiary true and accurate knowledge of the subject matter thereof, and do not contain any misrepresentation or omission.

5.06 Taxes. Trustor has filed all required federal, state and local tax returns which are required to be filed by Trustor, and has paid all taxes due and payable thereunder, and Trustor knows of no basis for any additional assessments with respect to any such taxes.

The foregoing representations and warranties of Trustor shall survive the satisfaction, release and/or cancellation of

the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Deed of Trust.

#### ARTICLE VI. RIGHTS AND DUTIES OF THE PARTIES

6.01 Performance of Secured Obligations. Trustor shall promptly pay and perform each Secured Obligation when due.

6.02 Liens. Encumbrances and Charges. Trustor shall immediately discharge any lien not approved by Beneficiary in writing which has or may attain priority over this Deed of Trust. Trustor shall pay when due all obligations secured by or reducible to liens and encumbrances which shall now or hereafter encumber or appear to encumber the Subject Property, whether senior or subordinate hereto.

6.03 Taxes and Assessments. Trustor shall pay prior to delinquency all taxes, assessments, levies and charges imposed by any public or quasi-public authority or utility company which are or may become a lien upon or reduce the value of the Subject Property. Trustor shall also pay prior to delinquency all taxes, assessments, levies and charges imposed by any public authority upon Beneficiary by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Beneficiary pursuant to any Secured Obligation; provided, however, that Trustor shall have no obligation to pay taxes which may be imposed from time to time upon Beneficiary and which are measured by and imposed upon Beneficiary's net income. Trustor hereby authorizes Beneficiary, at Trustor's expense, to procure and maintain in effect throughout the term of the Note and any extensions thereof a tax service contract or similar arrangement for reporting to Beneficiary the status of the taxes, assessments, levies and charges that Trustor is obligated to pay pursuant to this section.

6.04 Maintenance and Preservation of the Subject Property. Trustor covenants: (a) to insure the Subject Property against such risks as Beneficiary may require, to maintain such public liability insurance with respect to the Subject Property as Beneficiary may require and to comply with the requirements of any insurance companies insuring the Subject Property; (b) to keep the Subject Property in good condition and repair and not to commit or permit waste thereon; (c) except with Beneficiary's prior written consent, not to remove or demolish the Subject Property or any part thereof, not to alter, restore or add to the Subject Property and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property; (d) to complete or restore promptly and in good and workmanlike manner the Subject Property or any part thereof which may be damaged or destroyed, without regard to whether Beneficiary elects to require that insurance proceeds be used to reduce the Secured Obligations as provided in Section 6.06; (e) to comply with all laws, ordinances, rules and regulations, and all covenants, conditions, restrictions and equitable servitudes, whether public or private, of every kind and character which affect the Subject Property and pertain to acts committed or conditions existing thereon, including, without limitation, any work, alteration, improvement or demolition mandated thereby; and (f) to do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

6.05 Security Account. If required by Beneficiary, Trustor shall deposit, at the time for each payment of principal and/or interest under the Note, an additional amount estimated by Beneficiary to be sufficient to discharge the obligations of Trustor under Sections 6.03 and 6.04(a) hereof as and when such obligations become due ("Costs"). The determination of the

amount of the Costs and of the fractional part thereof to be deposited with Beneficiary shall be made by Beneficiary in its reasonable discretion. Beneficiary shall maintain an account showing all amounts received from Trustor and all Costs paid by Beneficiary and shall give Trustor reports on the account as required by law, but not less than annually. Beneficiary shall use the amounts in the account for, or at Beneficiary's sole option release such amounts to Trustor for, payment of the Costs. Beneficiary, at its sole option, may refund any amount in the account which exceeds the amount due or may continue to hold the excess and reduce proportionately the amounts required from Trustor for the next year. Trustor hereby grants Beneficiary a security interest in the account to secure the payment and performance of the Secured Obligations. In the event of a Default, Beneficiary, at its sole option, may apply all or any portion of the account to payment or performance of any Secured Obligation. Trustor shall restore all amounts so applied as a condition to curing the Default in addition to any other conditions to cure. The existence of the account shall not limit Beneficiary's rights under any other provision of this Deed of Trust or under any other agreement, statute, ordinance, rule or regulation. Trustor agrees that, subject to the obligation to pay Costs as provided above, Beneficiary may use the amounts in the account for general operations, which may result in profit or other benefit to Beneficiary, and that Trustor's rights to the amounts in the account and income therefrom are limited as provided herein. Trustor shall not receive interest on the account except to the extent and in, the amount required by law. The relationship between Beneficiary and Trustor with respect to the account shall be one of debtor-creditor, and Beneficiary shall not be a trustee, special depository or any other fiduciary acting for the benefit of Trustor. If Beneficiary requires deposits to be made pursuant to this section, Trustor shall deliver to Beneficiary all tax bills, bond and assessment statements, statements of insurance premiums and statements for other obligations referred to above as soon as the same are received by Trustor. The obligations of Trustor under Sections 6.03 and 6.04(a) shall not be affected by the deposits made by Trustor pursuant to this section, except to the extent that such obligations have actually been met by compliance with this section.

#### 6.06 Damages; Insurance and Condemnation Proceeds.

(a) The following (whether now existing or hereafter arising) are all absolutely and irrevocably assigned by Trustor to Beneficiary and, at the request of Beneficiary, shall be paid directly to Beneficiary: (i) all awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property; (ii) all other claims and awards for damages to, or the decrease in value of, all or any part of, or any interest in, the Subject Property; (iii) all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Subject Property; and (iv) all interest which may accrue on any of the foregoing. At Beneficiary's sole discretion, whether or not its security shall have been impaired, but subject to applicable law, and without regard to any requirement contained in Section 6.04(d), Beneficiary may apply all or any of the proceeds it receives to its expenses in settling, prosecuting or defending any claim and may apply the balance to the Secured Obligations in any order, and/or Beneficiary may release all or any part of the proceeds to Trustor upon any conditions Beneficiary may impose. Beneficiary may commence, appear in, defend or prosecute any assigned claim or action, and may adjust, compromise, settle and collect all claims and awards assigned to Beneficiary; provided, however that in no event shall Beneficiary be responsible for any failure to collect any claim or award, regardless of the cause of the failure.



(b) At its sole option, Beneficiary may permit insurance or condemnation proceeds held by Beneficiary to be used for repair or restoration, but may condition such application upon reasonable conditions, including, without limitation: (i) the deposit with Beneficiary of such additional funds which Beneficiary determines are needed to pay all costs of the repair or restoration (including, without limitation, taxes, financing charges, insurance and rent during the repair period); (ii) the establishment of an arrangement for lien releases and disbursement of funds acceptable to Beneficiary; (iii) the delivery to Beneficiary of plans and specifications for the work, a contract for the work signed by a contractor acceptable to Beneficiary, a cost breakdown for the work, and a payment and performance bond for the work, all of which shall be acceptable to Beneficiary; and (iv) the delivery to Beneficiary of evidence acceptable to Beneficiary (A) that after completion of the work the income from the Subject Property will be sufficient to pay all expenses and debt service for the Subject Property; (B) of continuation of leases acceptable to and required by Beneficiary; (C) that upon completion of the work, the size, capacity and total value of the Subject Property will be at least as great as it was before the damage or condemnation occurred; (D) that there has been no material adverse change in the financial condition or credit of Trustor since the date of this Deed of Trust; and (E) of satisfaction of any additional conditions that Beneficiary may reasonably establish to protect its security. Trustor hereby acknowledges that the conditions described above are reasonable.

6.07 Defense and Notice of Losses, Claims and Actions. At Trustor's sole expense, Trustor shall protect, preserve and defend the Subject Property and title to and right of possession of the Subject Property, the security hereof and the rights and powers of Beneficiary and Trustee hereunder against all adverse claims. Trustor shall give Beneficiary and Trustee prompt notice in writing of the assertion of any such claim, of the filing of any action or proceeding, of the occurrence of any damage to the Subject Property and of any condemnation offer or action.

6.08 Acceptance of Trust; Powers and Duties of Trustee. Trustee accepts this trust when this Deed of Trust is recorded. From time to time upon written request of Beneficiary and without affecting the personal liability of any person for payment of any indebtedness or the performance of any obligations secured hereby, Trustee may, without liability therefor and without notice: (i) reconvey all or any part of the Subject Property; (ii) consent to the making of any map or plat thereof; and (iii) join in any grant of easement thereon, any declaration of covenants, conditions and restrictions, any extension agreement or any agreement subordinating the lien or charge of this Deed of Trust. Except as may be required by applicable law, Trustee or Beneficiary may from time to time apply to any court of competent jurisdiction for aid and direction in the execution of the trust hereunder and the enforcement of the rights and remedies available hereunder, and may obtain orders or decrees directing, confirming or approving acts in the execution of said trust and the enforcement of said remedies. Trustee has no obligation to notify any party of any pending sale or any action or proceeding, including, without limitation, actions in which Trustor, Beneficiary or Trustee shall be a party unless held or commenced and maintained by Trustee under this Deed of Trust. Trustee shall not be obligated to perform any act required of it hereunder unless the performance of the act is requested in writing and Trustee is reasonably indemnified and held harmless against any loss, cost, liability or expense.

### 6.09 Exculpation; Indemnification

(a) Beneficiary shall not directly or indirectly be liable to Trustor or any other person as a consequence of: (i) the exercise of the rights, remedies or powers granted to Beneficiary in this Deed of Trust; (ii) the failure or refusal of Beneficiary to perform or discharge any obligation or liability of Trustor under any agreement related to the Subject Property or under this Deed of Trust; or (iii) any loss sustained by Trustor or any third party resulting from Beneficiary's failure to lease the Subject Property after a Default or from any other act or omission of Beneficiary in managing the Subject Property after a Default unless the loss is caused by the willful misconduct and bad faith of Beneficiary; no such liability shall be asserted against or imposed upon Beneficiary, and all such liability is hereby expressly waived and released by Trustor.

(b) Trustor shall indemnify, defend and hold Trustee and Beneficiary harmless from and against any and all losses, costs, claims, damages, liabilities, causes of action, judgments, court costs, attorneys' fees and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur and which directly or indirectly arise out of or are in any way connected with: (i) this Deed of Trust; (ii) the execution of this trust or in performance of any act required or permitted hereunder or by law; (iii) any failure of Trustor to perform Trustor's obligations; or (iv) any alleged obligation or undertaking on Beneficiary's part to perform or be liable for any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property. The above obligation of Trustor to indemnify and hold harmless Trustee and Beneficiary shall survive the satisfaction, release and/or cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of this Deed of Trust.

(c) Trustor shall pay all amounts and indebtedness arising under this section immediately upon demand by Trustee or Beneficiary together with interest thereon from the date the indebtedness arises at the rate of interest applicable to the principal balance of the Note as specified therein.

6.10 Substitution of Trustees. From time to time, by a writing signed and acknowledged by Beneficiary and recorded in the Office of the Recorder of the County in which this instrument is recorded and the Subject Property is situated, Beneficiary may appoint another trustee to act in the place and stead of Trustee or any successor. Such writing shall set forth any information required by law. The recordation of such instrument of substitution shall discharge Trustee herein named and shall appoint the new trustee as the trustee hereunder with the same effect as if originally named Trustee herein. A writing recorded pursuant to the provisions of this section shall be conclusive proof of the proper substitution of such new Trustee.

6.11 Due on Sale, Encumbrance. If (a) the Subject Property or any interest therein, (b) legal or beneficial ownership of any partnership interest in Trustor, (c) legal or beneficial ownership of any partnership interest in any general partner of Trustor, or (d) legal or beneficial ownership of any stock in Trustor or in any general partner of Trustor (unless the corporation is a corporation required to file reports under Section 13 or 15(d) of the Securities Exchange Act of 1934), shall be sold, conveyed, transferred, assigned, mortgaged, hypothecated, encumbered, pledged or leased, whether voluntarily, involuntarily or by operation of law, without the prior written consent of Beneficiary, then Beneficiary, at its

sole option, may declare all Secured Obligations immediately due and payable.

6.12 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Beneficiary may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation; take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation; or accept additional security or release the Subject Property or other security for any Secured Obligation. None of the foregoing actions shall release or reduce the personal liability of any of the Interested Parties, or release or impair the lien of this Deed of Trust, or the priority thereof, upon the Subject Property. Notwithstanding the foregoing, no action taken or agreement made by Beneficiary to extend the maturity or otherwise alter the terms or increase the amount of any Secured Obligation shall be binding upon Trustor without Trustor's consent thereto.

6.13 Reconveyance. Upon the payment and performance of all Secured Obligations, including, without limitation, Beneficiary's receipt of all sums owing and outstanding under the Note, Beneficiary shall deliver to Trustee a written request for reconveyance, and shall surrender to Trustee for cancellation this Deed of Trust and any note or instrument evidencing the Secured Obligations; provided, however, that Beneficiary shall have no obligation to deliver such written request and documents unless and until Beneficiary shall have been paid by Trustor, in immediately available funds, all escrow, closing and recording costs, the costs of preparing and issuing such reconveyance and any trustee's or reconveyance fees. Upon Trustee's receipt of such written request by Beneficiary and such documents, Trustee shall reconvey, without warranty, the Subject Property or that portion thereof then held hereunder. To the extent permitted by law, the reconveyance may describe the grantee as "the person or persons legally entitled thereto" and the recitals of any matters or facts in any reconveyance executed hereunder shall be conclusive proof of the truthfulness thereof. Neither Beneficiary nor Trustee shall have any duty to determine the rights of persons claiming to be rightful grantees of any reconveyance. When the Subject Property has been fully reconveyed, the last such reconveyance shall operate as a reassignment of all future rents, issues and profits of the Subject Property to the person or persons legally entitled thereto.

6.14 Subrogation. Beneficiary shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Beneficiary pursuant to this Deed of Trust or by the proceeds of any loan secured by this Deed of Trust.

6.15 Right of Inspection. Beneficiary, its agents and employees, may enter the Subject Property at any reasonable time for the purpose of inspecting the Subject Property and ascertaining Trustor's compliance with the terms hereof.

6.16 Books and Records. Trustor shall maintain full and complete books of accounts and other records for the Subject Property and the same shall be available for inspection and copying by Beneficiary during normal business hours at the site of the Subject Property or at Beneficiary's address as set forth in this Deed of Trust.

6.17 Financial, Operating Information. Within ninety (90) days following the end of each of Trustor's fiscal years,

Trustor shall deliver to Beneficiary a current signed financial statement, income and expense statement and balance sheet, and any other financial information requested by Beneficiary. If Trustor has audited financial information prepared, Trustor shall deliver to Beneficiary copies of that information within five (5) days following its preparation. All financial reports shall be prepared in accordance with generally accepted accounting principles consistently applied, or in another form acceptable to Beneficiary. Within ten (10) days following the end of each calendar quarter, Trustor shall deliver to Beneficiary current rent rolls and operating statements for the Subject Property and such other supporting data and leasing and other information reflecting the operations of the Subject Property as Beneficiary shall request, in form and substance acceptable to Beneficiary. Trustor shall also deliver to Beneficiary such quarterly, periodic or other financial or operating information relating to Trustor or the Subject Property as Beneficiary may request.

6.18 Management of Property. Trustor shall not enter into any agreement providing for the management, operation or leasing of the Subject Property, and shall not amend, modify or terminate any such existing agreement approved by Beneficiary, without the prior written consent of Beneficiary.

6.19 Hazardous Materials.

(a) For the purposes of this Deed of Trust,  
 (i) "Hazardous Materials" shall mean oil, flammable explosives, asbestos, urea formaldehyde insulation, radioactive materials, hazardous waste, toxic or contaminated substances or similar materials, including, without limitation, any substances which are "hazardous substances", "hazardous waste", "hazardous materials", or "toxic substances" under applicable environmental laws, ordinances or regulations; (ii) "Hazardous Materials Laws" shall mean all statutes, ordinances, rules and regulations relating to Hazardous Materials, including, without limitation, those relating to soil and groundwater conditions; and  
 (iii) "Hazardous Materials Claims" shall mean claims or actions pending or threatened against Trustor or the Subject Property by any governmental entity or agency or any other person or entity relating to Hazardous Materials or pursuant to Hazardous Materials Laws.

(b) Trustor shall not cause or permit the Subject Property to be used as a site for the use, generation, manufacture, storage, treatment, release, discharge, disposal, transportation or presence of any Hazardous Materials. Trustor shall comply and cause the Subject Property to comply with all Hazardous Materials Laws. Trustor shall immediately notify Beneficiary in writing of: (i) the discovery of any Hazardous Materials on, under or about the Subject Property; (ii) any knowledge by Trustor that the Subject Property does not comply with any Hazardous Materials Laws; or (iii) any Hazardous Materials Claim. In response to the presence of any Hazardous Materials on, under or about the Subject Property, Trustor shall immediately take, at Trustor's sole cost, all remedial action required by any Hazardous Materials Laws or any judgment, consent, decree, settlement or compromise in respect of any Hazardous Materials Claims.

(c) Trustor shall indemnify, defend and hold Beneficiary and Trustee harmless from and against any and all losses, costs, claims, damages, liabilities, causes of action, judgments, court costs, attorneys' fees and other legal expenses, costs of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur and which directly or indirectly arise out of or are in any way connected with the presence, use, generation, manufacture, storage, disposal, transportation or release of Hazardous Materials on, under or

about the Subject Property, including the soils and groundwaters thereof, caused or permitted by Trustor, any prior owner or operator of the Subject Property, any adjoining landowner or any other party whomsoever, including, without limitation, the cost of any required or necessary repair, clean-up, remediation or detoxification of Hazardous Materials and the preparation of any closure, remedial action or other required plans, whether such action is required or necessary by reason of acts or omissions occurring prior to or following the recordation of this Deed of Trust. Trustor's obligations hereunder shall survive the satisfaction, release and/or cancellation of the Secured Obligations and the release and reconveyance or partial release and reconveyance of the Deed of Trust.

#### ARTICLE VII. DEFAULT PROVISIONS

7.01 Default. For all purposes hereof, the term "Default" shall mean any of the following:

(a) Trustor's failure to pay when due any sums payable under the Note;

(b) Trustor's failure to pay when due any sums payable under this Deed of Trust or any of the other Loan Documents, other than the Note, and the continuance of such failure for a period of ten (10) days following notice by Beneficiary;

(c) Trustor's failure to perform any obligation under the Note, this Deed of Trust or any of the other Loan Documents, other than the obligations referred to in subparagraphs (a) and (b) above, and the continuance of such failure for a period of fifteen (15) days following notice by Beneficiary;

(d) (i) The failure of any of Trustor's representations or warranties contained in this Deed of Trust or any of the other Loan Documents to be true within fifteen (15) days following notice by Beneficiary, or (ii) any material adverse change (as determined by Beneficiary in accordance with its credit standards and underwriting practices in effect at the time of making such determination) in the financial condition of Trustor or any other person or entity in any manner obligated to Beneficiary under the Loan Documents from the financial condition represented to Beneficiary as of the date hereof, and the continuance of such material adverse change for a period of fifteen (15) days following notice by Beneficiary;

(e) (i) The condemnation, seizure or appropriation of, or occurrence of an uninsured casualty with respect to, any material portion of the Subject Property, as determined by Beneficiary in its sole discretion, (ii) the sequestration or attachment of, or any levy or execution upon, any of the Subject Property or any of the Collateral, or (iii) the sequestration or attachment of, or any levy or execution upon, any substantial portion of the other assets of Trustor, which is not released, expunged or dismissed prior to the earlier of ten (10) days after sequestration, attachment or execution, or the sale of the assets affected thereby;

(f) (i) Trustor's filing of a petition for relief under the Bankruptcy Reform Act of 1978, as amended or recodified ("Bankruptcy Act"), or under any other present or future state or federal law regarding bankruptcy, reorganization or other relief to debtors (collectively "Debtor Relief Law"); (ii) Trustor's filing of any pleading in any involuntary proceeding under the Bankruptcy Act or other Debtor Relief Law which admits the jurisdiction of the court over Trustor, the Subject Property or the petition's material allegations regarding Trustor's insolvency; (iii) Trustor's making a general assignment for the benefit of creditors; (iv) Trustor's applying

for, or the appointment of, a receiver, trustee, custodian or liquidator of Trustor or any of its property; or (v) the death of Trustor, if an individual, or the filing against Trustor of a petition seeking the liquidation or dissolution of Trustor or the commencement of any other procedure to liquidate or dissolve Trustor;

(g) Trustor's failure to effect a full dismissal of any involuntary petition under the Bankruptcy Act or any other Debtor Relief Law which is filed against Trustor or in any way restrains or limits Trustor or Beneficiary regarding the Loan Documents or the Subject Property, prior to the earlier of the entry of any order granting the relief sought in the involuntary petition or thirty (30) days after the filing of the petition;

(h) The occurrence of an event specified in subparagraphs (e)(iii), (f) or (g) as to any guarantor of the payment or performance of any of the Secured Obligations or any person or entity other than Trustor in any manner obligated to Beneficiary under the Loan Documents;

(i) The curtailment in availability to the Subject Property of utilities or other public services necessary for the full occupancy and use of any of the Subject Property, or the prohibition, enjoining or interruption of Trustor's right to occupy, use or lease the Subject Property for a continuous period of more than thirty (30) days; or

(j) The Deed of Trust shall at any time cease to be a valid first lien upon the Subject Property for any reason.

Notwithstanding the foregoing, if any other provision of this Deed of Trust or any provision of any of the other Secured Obligations shall provide for a greater period of time within which to cure any event or condition set forth in this Section 7.01, then a Default shall not be deemed to have occurred unless Trustor shall fail to cure such event or condition within such greater period of time.

**7.02 Rights and Remedies.** At any time after the occurrence of a Default, Beneficiary and Trustee shall each have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable; provided, however, that upon the occurrence of a Default specified in Sections 7.01(f)(i), 7.01(f)(ii) or 7.01(g), all Secured Obligations shall automatically become due and payable;

(b) With or without notice, and without releasing Trustor from any Secured Obligation, and without becoming a mortgagee in possession, to cure any breach or default of Trustor and, in connection therewith, to enter upon the Subject Property and do such acts and things as Beneficiary or Trustee deem necessary or desirable to protect the security hereof, including, without limitation: (i) to appear in and defend any action or proceeding purporting to affect the security of this Deed of Trust or the rights or powers of Beneficiary or Trustee under this Deed of Trust; (ii) to pay, purchase, contest or compromise any encumbrance, charge, lien or claim of lien which, in the sole judgment of either Beneficiary or Trustee, is or may be senior in priority to this Deed of Trust, the judgment of Beneficiary or Trustee being conclusive as between the parties hereto; (iii) to obtain insurance; (iv) to pay any premiums or charges with respect to insurance required to be carried under this Deed of Trust; or (v) to employ counsel, accountants, contractors and other appropriate persons;

(c) To commence and maintain an action or actions in any court of competent jurisdiction to foreclose this instrument as

a mortgage or to obtain specific enforcement of the covenants of Trustor hereunder, and Trustor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Trustor waives the defense of laches and any applicable statute of limitations;

(d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to the adequacy of the security for the Secured Obligations, the existence of a declaration that the Secured Obligations are immediately due and payable, or the filing of a notice of default, and Trustor hereby consents to such appointment;

(e) To enter upon, possess, manage and operate the Subject Property or any part thereof, to take and possess all documents, books, records, papers and accounts of Trustor or the then owner of the Subject Property, to make, terminate, enforce or modify leases of the Subject Property upon such terms and conditions as Beneficiary deems proper, and to make repairs, alterations and improvements to the Subject Property as necessary, in Trustee's or Beneficiary's sole judgment, to protect or enhance the security hereof;

(f) To execute a written notice of such Default and of its election to cause the Subject Property to be sold to satisfy the Secured Obligations. As a condition precedent to any such sale, Trustee shall give and record such notice as the law then requires. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Trustor except as required by law, shall sell the Subject Property at the time and place of sale fixed by it in the notice of sale, at one or several sales, either as a whole or in separate parcels and in such manner and order, all as Beneficiary in its sole discretion may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at time of sale. Neither Trustor nor any other person or entity other than Beneficiary shall have the right to direct the order in which the Subject Property is sold. Subject to any requirements and limits imposed by law, Trustee may from time to time postpone sale of all or any portion of the Subject Property by public announcement at such time and place of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Subject Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Trustor or Beneficiary may purchase at the sale; and

(g) To resort to and realize upon the security hereunder and any other security now or later held by Beneficiary concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and in such order or manner as Beneficiary shall determine in its sole discretion.

At any sale of the Subject Property held pursuant to Section 7.02(c) or Section 7.02(f) above, Beneficiary may bid, as the equivalent of cash, the amount of all or any of the Secured Obligations, including, without limitation, attorneys' fees.

**7.03 Application of Foreclosure Sale Proceeds.** After deducting all costs, fees and expenses of Trustee, and of this trust, including, without limitation, cost of evidence of title and attorneys' fees in connection with the sale, Trustee shall apply all proceeds of any judicial or non-judicial foreclosure sale: (i) to payment of all sums expended by Beneficiary under the terms hereof and not then repaid, with accrued interest at

the rate of interest specified in the Note to be applicable on or after maturity or acceleration of the Note; (ii) to payment of all other Secured Obligations in such order and manner as Beneficiary shall determine in its sole discretion; and (iii) the remainder, if any, to the person or persons legally entitled thereto.

**7.04 Application of Other Sums.** All sums received by Beneficiary under this Deed of Trust, other than sums referred to in Section 7.03, shall be applied to: (i) all costs and expenses incurred by Beneficiary, Trustee or any receiver under Section 7.02(d), including, without limitation, attorneys' fees; and (ii) the remainder, in payment of the Secured Obligations in such order and manner as Beneficiary shall determine in its sole discretion; provided, however, that Beneficiary shall have no liability for funds not actually received by Beneficiary.

**7.05 No Cure or Waiver.** Neither (a) the entry upon or taking possession of all or any part of the Subject Property, (b) any collection of rents, issues, profits, insurance proceeds, condemnation awards, other security or proceeds of other security, or other sums, (c) the application of any collected sum to any Secured Obligation, nor (d) the exercise of any other right or remedy by Beneficiary, Trustee or any receiver shall cure or waive any breach, Default or notice of default under this Deed of Trust; nullify the effect of any notice of default or notice of sale (unless all Secured Obligations then due have been paid and performed and Trustor has cured all other Defaults); impair the status of the security; prejudice Beneficiary or Trustee in the exercise of any right or remedy; or be construed as an affirmation by Beneficiary of any tenancy, lease or option or a subordination of the lien of this Deed of Trust.

**7.06 Payment of Costs, Expenses and Attorneys' Fees.** Trustor agrees to pay to Beneficiary immediately and without demand all costs and expenses incurred by Trustee and Beneficiary pursuant to subparagraphs (a) through (g) inclusive of Section 7.02 (including, without limitation, court costs and attorneys' fees, whether incurred in litigation or not, and if in litigation, including both trial and all appellate proceedings) with interest from the date of expenditure until said sums have been paid at the rate of interest applicable to the principal balance of the Note as specified therein. In addition, Trustor shall pay to Trustee all trustee's fees hereunder and shall reimburse Trustee for all expenses incurred in the administration of this trust, including, without limitation, any attorneys' fees.

**7.07 Power to File Notices and Cure Defaults.** Trustor hereby irrevocably appoints Beneficiary and its successors and assigns, as its attorney-in-fact, which agency is coupled with an interest, (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Beneficiary deems appropriate to protect Beneficiary's interest, (b) upon the issuance of a deed pursuant to the foreclosure of this Deed of Trust or the delivery of a deed in lieu of foreclosure, to execute all instruments of assignment or further assurance with respect to the Leases and Payments in favor of the grantee of any such deed, as may be necessary or desirable for such purpose, (c) to prepare, execute and file or record financing statements, continuation statements, applications for registration and like papers necessary to create, perfect or preserve Beneficiary's security interests and rights in or to any of the Collateral, and (d) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Beneficiary may perform any obligation of Trustor hereunder; provided, however, that: (i) Beneficiary as such attorney-in-fact shall only be accountable for such funds as are actually received by



Beneficiary; and (ii) Beneficiary shall not be liable to Trustor or any other person or entity for any failure to act under this section.

#### ARTICLE VIII. MISCELLANEOUS PROVISIONS

8.01 Additional Provisions. This Deed of Trust contains the entire agreement of the parties with respect to matters contemplated herein and supersedes all prior negotiations.

8.02 Merger. No merger shall occur as a result of Beneficiary's acquiring any other estate in, or any other lien on, the Subject Property unless Beneficiary consents to a merger in writing.

8.03 Obligations of Trustor, Joint and Several. If more than one person has executed this Deed of Trust as "Trustor," the obligations of all such persons hereunder shall be joint and several.

8.04 Recourse to Separate Property. Any married person who executes this Deed of Trust as a Trustor agrees that any money judgment which Beneficiary or Trustee obtains pursuant to the terms of this Deed of Trust or any other obligation of that married person secured by this Deed of Trust may be collected by execution upon that person's separate property, and any community property of which that person is a manager.

8.05 Rules of Construction. When the identity of the parties or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Subject Property" means all or any part of the Subject Property and any interest in the Subject Property. The term "Trustor" means the Trustor named herein and any subsequent owner or owners of the Subject Property.

8.06 Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors and assigns of the parties hereto; provided, however, that this section does not waive the provisions of Section 6.11.

8.07 No Offset. Trustor shall pay to Beneficiary all amounts owing under the Note, this Deed of Trust or any of the other Secured Obligations without deduction, offset or counterclaim of any kind, including any claims or rights arising under that certain Lease-Option to Purchase dated May 8, 1989, between Richard D. Hoyt and Judy Hoyt, as "Seller", and Trustor, as "Purchaser", or otherwise in connection with Trustor's acquisition of title to the Subject Property.

8.08 Relationship. The relationship of Trustor and Beneficiary hereunder is solely that of borrower-lender, and the Note and this Deed of Trust shall in no manner constitute Beneficiary the partner or joint venturer of Trustor.

8.09 Severability. If any provision of this Deed of Trust shall be held to be unenforceable or invalid for any reason, such determination shall not affect any of the other provisions of this Deed of Trust, all of which shall remain valid and enforceable to the fullest extent.

8.10 Incorporation. Exhibit A, as attached, is incorporated into this Deed of Trust by this reference.

8.11 Addresses; Request for Notice. Notice to Beneficiary shall be sent to Beneficiary addressed in care of:

WELLS FARGO BANK, NATIONAL ASSOCIATION  
Mid-Valley Regional Commercial Banking Office  
P. O. Box 949  
Modesto, California 95353  
Attention: Loan Support Group  
AU #2691  
Loan #569-808-1377

Any Trustor whose address is set forth below hereby requests that a copy of notice of default and notice of sale be mailed to him at that address. Failure to insert an address shall constitute a designation of Trustor's last known address as the address for such notice. Correspondence to Trustee shall be addressed to:

MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY  
222 S. 6th Street  
Klamath, Oregon 97601

with reference to the Loan number and AU number of Beneficiary. All notices required or permitted to be given hereunder shall be in writing and shall be given in the manner required by law, and if no manner of giving such notice is required by law, and except as otherwise provided herein, may be given as follows: in person; by United States mail; or by private courier service requiring signed receipt. Any such notice shall become effective upon the earliest of the following: (i) actual receipt by the party to whom addressed; (ii) delivery to the designated address of such party, addressed to such party; (iii) if given by certified or registered United States mail, seventy-two (72) hours after deposit with the United States Postal Service, postage prepaid, addressed to such party at such party's designated address.

IN WITNESS WHEREOF, Trustor has executed this Deed of Trust as of the day and year set forth above.

Addresses

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Trustor(s):

*Duane F. Martin*  
DUANE F. MARTIN  
*Marlene J. Martin*  
MARLENE J. MARTIN

STATE OF CALIFORNIA

COUNTY OF Stanislaus } ss.

On this 24th day of January, in the year 19 92, before me, the undersigned, a Notary Public in and for said State, personally appeared Jeff Wright, personally known to me

(or proved to me on the oath/affirmation of \_\_\_\_\_ a credible witness personally known to me) to be the person whose name is subscribed to the within instrument as a witness thereto, who, being by me duly sworn, deposes and says: That the Witness resides in San Joaquin County

and that the Witness was present and saw Duane F. Martin, Trustor and Marlene J. Martin, Trustor

personally known to the Witness to be the same person described in, and whose name is subscribed to the within instrument as a Party thereto, execute it, and acknowledge to the Witness that he executed it, and that the Witness subscribed h name thereto as a witness.

WITNESS my hand and official seal.



ACKNOWLEDGMENT—Subscribing Witness—Wolcotts Form 262CA—Rev. 5-82  
©1982 WOLCOTTS, INC. (Price class 6-2)

*M.K. Guthrie*  
Notary Public in and for said State.

PLEASE  
INITIAL

EXHIBIT A

2101

(Description of Property)

Exhibit A to DEED OF TRUST executed by DUANE F. MARTIN and MARLENE J. MARTIN, as "Trustor", to MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as "Trustee", for the benefit of WELLS FARGO BANK, NATIONAL ASSOCIATION, as "Beneficiary", dated as of January 22, 1992.

Description of Subject Property

The land referred to below is situated in the State of Oregon, County of Klamath, and is described as follows:

PARCEL 1

In Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon:

SECTION 8: All of Section EXCEPT that part lying North of Sprague River and

SECTION 9: All of South 1/2 EXCEPT that part lying North of the Sprague River and

SECTION 10: All of Lots 19 through 32, inclusive EXCEPT that part lying North of the Sprague River and

SECTION 11: Lots 20, 21, 28 and 29

SECTION 17: Lots 1 through 16, inclusive and

SECTION 16: Lots 1 through 16 inclusive, Lots 19 through 22, inclusive, and Lots 27 through 30, inclusive and

SECTION 15: The West 1/2 of Lot 4, all of Lots 19 through 22, inclusive

EXCEPTING THEREFROM those portions conveyed to the Oregon-California Eastern Railway Company in deed dated June 11, 1928 and recorded June 11, 1928 in Volume 80 in page 458, and also in deed dated May 20, 1927 and recorded May 21, 1927 in Volume 75, in Page 474 Deed records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM a portion conveyed to Klamath County for road purposes by deed dated November 24, 1928 and recorded April 23, 1929 in Volume 85 in page 613, Deed Records of Klamath County, Oregon.

PARCEL 2

Lots 27 through 30, inclusive of Section 15, Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM that portion conveyed to the Oregon-California Eastern Railway Company in deed dated May 20, 1927 and recorded May 21, 1927 in Volume 75 in page 474, Deed records of Klamath County, Oregon.

2102

## PARCEL 3

All Lots 17, 18, 23, 24, 25, 26, 31 and 32, Section 7, Township 36 South, Range 11 East of the Willamette Meridian, in the County of Klamath, State of Oregon; Lots 1 through 16, inclusive in Section 18, Township 36 South, Range 11 East of the Willamette Meridian; Lots 19, 20 and 22, lying Northeasterly of the Northeasterly right of way line of the Sprague River Highway in Section 18, Township 36 South, Range 11 East of the Willamette Meridian.

EXCEPTING that portion deeded to Oregon California & Eastern Railway Company for right of way by deed recorded in Book 80 at page 432 and Book 90 at page 474, Deed Records of Klamath County, Oregon.

AND ALSO EXCEPTING THEREFROM a strip of land 60 feet wide conveyed to Klamath County for road purposes by deed dated November 26, 1928, recorded April 23, 1929 in Book 85 at page 617, Deed Records of Klamath County, Oregon.

## PARCEL 4

A permanent easement for a 50 foot road right of way across the East side of the SW1/4 of Section 17, Township 36 South, Range 11 East of the Willamette Meridian as contained in instrument recorded November 10, 1958 in Book 306, page 151, Deed Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 31st day  
of Jan. A.D., 19 92 at 9:47 o'clock A.M., and duly recorded in Vol. M92,  
of Mortgages on Page 2083.

Evelyn Biehn - County Clerk

FEE \$103.00

By Quentin Y. Mulendore