## DEED OF TRUST AND ASSIGNMENT OF RENTS

DATE OF THIS DEED OF TRUST AND OF THE LOAN TRANSACTION	DATE FUNDS DISSURSED AND INTEREST BEGINS IF OTHER THAN DATE OF THE TRANSACTION	ACCOUNT NUMBER 405454		
January 30, 1992	February 4, 1992			
BENEFICIARY	GRANTOR(S):			
TRANSAMERICA FINANCIAL SERVICES	(1) Ralph D. Lyon	Age:		
ADDRESS: 1070 NW Bond St., Ste. #204 P.O. Box 5607	(2) Judith L. Lyon	Age:		
CITY: Bend, OR 97708	ADDRESS: P.O. Box 157			
NAME OF TRUSTEE: Aspen Title & Escrow	CTTY: Merrill, OR 9	7633-0157		

## THIS DEED OF TRUST SECURES FUTURE ADVANCES

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By this Deed of Trust, the undersigned Grantor (all if more to	non and for the summe		
By this Deed of Trust, the undersigned Grantor (all, if more the	ions outed for site britho	ise of securing the payme	int of a Promissory Note of even date in the principal even of
\$ 43,747,8] from Grantor to Beneficiary named above	o hambu amanta a alla		The second secon
The state of the s	ue menerch Braruss' 2012	, conveys and warrants to	Trusting in trust with navar of eals, the following described
property situated in the State of Oregon, County of	Klamath		ment in a sect man power or seed, the lonowing described
brokers arrested in alle citate of Cledioli' Contifs of	vramatn	•	

See Attached Exhibit "A"

Together with all buildings and improvements now or hereafter erected thereon and heating, lighting, plumbing, gas, electric, ventilating, reinigerating and air-conditioning equipment used in connection therewith, all of which, for the purpose of this Deed of Trust, shall be deemed fixtures of the property above described, all of which is referred to hereinafter as the "premises".

The above described real property is not currently used for agricultural, timber or grazing purposes.

TO HAVE AND TO HOLD said land and premises, with all the rights, privileges and appurtenances thereto belonging to trustee and his heirs, executors, administrators, successors and assigns, upon the trusts and for the uses and purposes following and none other.

Egrantor also assigns to Beneficiary all rents, issues and profits of said premises, reserving the right to collect and use the same with or without taking possession of the premises, during continuance of such default authorizing Beneficiary to enter upon said premises and/or to collect and enforce the same without regard to adequacy of any security for the indebtedness hereby secured by any lawful means.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Grantor contained herein; (2) Payment of the principal sum with interest thereon at the agreed rate in accordance with the terms and conditions of the above mentioned Promissory Note executed by the Grantor in favor of the Beneficiary, reference to which is hereby made, until paid in full at or before maturity, or as extended or rescheduled; (3) Payment of any additional amounts, with interest thereon at the agreed rate, as may be hereafter loaned by Beneficiary to Grantor in connection with any renewal or refinancing, but the Beneficiary shall not be obligated to make any additional loan(s) in any amount; (4) The payment of any money that may be advanced by the Beneficiary to Grantor or to third parties, with interest thereon at the agreed rate, where any such advances are made to protect the security or in accordance with the covenants of

All payments made by Grantor(s) on the obligation secured by this Deed of Trust shall be applied in the following order:
FIRST: To the payment of taxes and assessments that may be levied and assessed against said premises, insurance premiums, repairs, and all other charges and expenses agreed to be paid by the Grantor(s).

SECOND: To the payment of the interest due on said loan.
THIRD: To the payment of principal.

TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND AGREES: (1) to keep said premises insured in Beneficiary's favor against fire and such other casualties as TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND AGREES: (1) to keep said premises insured in Beneficiary's favor against fire and such other casualties as the Beneficiary may specify, up to the full value of all improvements for the protection of Beneficiary in such manner, in such amounts, and in such companies as Beneficiary may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Beneficiary and that loss proceeds (less expenses of collection) shall, at Beneficiary's option, be applied on said indebtedness, whether due or not, or to the restoration of said improvements. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of Foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure saie. (2) To pay when due all taxes, liensfinduding any prior Trust Deeds or Mortgages and assessments that may accrue against the above described premises, or any part thereof, or upon the debt secured hereby, or upon the interest of Beneficiary in said premises or in said debt, and procure and deliver to Beneficiary ten (10) days before the day fixed by law for the first interest or penalty accrue thereon, the official receipt of the proper officer showing payment of all such taxes and assessments. (3) in the event of default by Grantor(s) under Paragraphs 1 or 2 above, Beneficiary, at its option (whether electing to declare the whole indebtedness secured hereby due and collectible or not), may (a) effect the insurance above provided for and pay the reasonable premiums and charges therefor; (b) pay all said taxes, liens and assessments without determining the validity thereof; and (c) such disbursements shall be added to the unpaid Beneficiary, at its option (whether electing to declare the whole indebtedness secured hereby due and collectible or not), may (a) effect the insurance above provided for and pay the reasonable premiums and charges therefor; (b) pay all said taxes, liens and assessments without determining the validity thereot; and (c) such disbursements shall be added to the unpaid belance of the obligation secured by this beed of Trust and shall bear interest from the date of payment at the agreed rate. (4) To keep the buildings and other improvements now existing or hereafter erected in good condition and repair, not to commit or suffer any waste or any use of said premises contrary to restrictions of record or contrary to laws, ordinances or regulations of the proper public authority, and to permit Beneficiary to enter at all reasonable times for the purpose of inspecting the premises, to complete within one hundred eightly days or restore premptly and in a good and workmanilke manner any building which may be constructed, damaged or destroyed thereon, and to pay, when due, all claims for labor performed and materials furnished therefor. (5) That he will pay, promptly, the indebtedness secured hereby in full compliance with the terms of said Promissory Note and this Deed or Trust and that the time of payment of the indebtedness hereby secured, or of any portion thereof, may be extended or renewed, and any portions of the premises herein described may, without notice, be released from the lien hereof, without releasing or affecting the personal liability of any person for the payment of said indebtedness or the lien of this instrument upon the remander of secured or the full amount of said indebtedness here mainling unpaid, and no change in the ownership of said premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created. (6) That he is selzed of the premises in fee simple and has good and lawful right to convey the same; and that he does hereby forever warrant and will forever d

IT IS MUTUALLY AGREED THAT: (1) If the said Grantor(s) shall fall or neglect to pay installments on said Promissory Note as the same may hereafter become due, or upon default in the performance of any agreement hereunder, or upon sale or other disposition of the premises by Grantor(s), or should any action or proceeding be filed in any court to enforce any lien on, claim against or interest in the premises, then all sums owing by the Grantor(s) to the Beneficiary under this Deed of Trust or under the Promissory Note secured hereby shall immediately become due and payable at the option of the Beneficiary on the application of the Beneficiary or assignee, or any other person who may be entitled to the monies due thereon. In the event of such default, Beneficiary may execute or cause Trustee to execute a written Notice of Default and of Election To Cause Said Property To Be Soid to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the Promissory Note and all documents evidencing expenditures secured hereby, whereupon Trustee shall fix the time and place of sale and give notice thereof as required by law.

(2) Whenever all or a portion of any obligation secured by this Trust Deed has become due by reason of a default of any part of that obligation, including taxes, assessments, premiums for (2) Whenever all or a portion of any colligation secured by this i rust Deed has become due by reason of a default of any part of that obligation, including taxes, assessments, premiums for insurance or advances made by a Beneficiary in accordance with the terms of the Trust Deed, the Grantor or his successor in interest in the trust property, or any part of it, any Beneficiary under a subordinate Trust Deed or any person having a subordinate lien or encumbrance of record on the property, at any time prior to the time and date set by the Trustee for the Trustee's sale if the power of sale therein is to be exercised, may pay to the Beneficiary or his successor in interest, respectively, the entire amount then due under the terms of the Trust Deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligations and Trustee's and Attorney's fees actually incurred if allowed by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default. After payment of this amount, all proceedings had or instituted to foreclose the Trust Deed shall be dismissed or discontinued, and the obligations and Trust Deed shall be reinstated and shall remain in force the same as if no acceleration

(3) After the lapse of such time as may then be required by law following the recordation of said Notice of Default, and Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Grantor(s), shall sell said property on the date and at the time and place designated in said Notice of Sale at public auction to the highest required by law, irrustee, without demand on Grantor(s), shall sell said property on the date and at the time and place designated in said Notice of Sale at public auction to the Ingress bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the same from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the Notice of Sale, notice thereof shall be given in the same manner as the original Notice of Sale. Trustee shall execute and deliver to the purchaser its Deed conveying said property so sold, but without any covenant of 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 Beneficiary, may bid at the sale.

Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and Attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all other sums secured hereby; and (4) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the County in which the sale took place.

FOR BUILDING 2113 (4) Grantor(s) agrees to surrander possession of the hereinabove described premises to the Purchaser at the aforesaid sale, in the event such possession has not previously been surrendered by Grantor(s). (5) Beneficiary may appoint a successor trustee at any time by filing for recording in the office of the County Recorder of each county in which said property or some part thereof is attended a Substitution of Trustee. From the time the substitution if filed for record, the new Trustee shall succeed to all the powers, duties, suthority and title of the Trustee named strusted a Substitution of Trustee. From the time the substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by herein or of any successor Trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by (6) Upon payment in full by said Grantor(s) of his indebtedness hereunder, Trustee shall reconvey to said Trustor(s) the above-described premises according to law. (7)Should said property or any part thereof be taken by reason of any public improvement or condemnation proceeding. Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, to the extent necessary to liquidate the unpaid balance, including accrued interest, of the obligation secured by this Deed of Trust. (a) Should Trustor sell, convey, transfer or dispose of said property, or any part thereof, without the written consent of Beneficiary being first had and obtained, then Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable. (9) Notwithstanding anything in this Deed of Trust or the Promissory Note secured hereby to the contrary, neither this Deed of Trust nor said Promissory Note shall be deemed to impose on the Grantor(s) any obligation of payment, except to the extent that the same may be legally enforceable; and any provision to the contrary shall be of no force or effect. (10) All Grantors shall be jointly and severally liable for fulfillment of their covenants and agreements herein contained, and all provisions of this Deed of Trust shall inure to and be binding upon the heirs, executors, administrators, successors, grantees, lessees and assigns of the parties hereto respectively. Any reference in this Deed of Trust of the singular shall be construed as plural where appropriate. Any Grantor who co-signs this Deed of Trust to does not execute the Note: (a) is co-signing this Deed of Trust; and (c) agrees that convey that Grantor's interest in the property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust; and (c) agrees that Beneficiary and any other Grantor or signer of said Promissory Note may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Deed of Trust or the Note without that Grantor's consent. (11) Invalidity or unenforceability of any provisions herein shall not affect the validity and enforceability of any other provisions. (12) Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), Beneficiary, or Trustee shall be a party, unless brought by Trustee. (13) The undersigned Grantor(s) requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth. IN WITNESS WHEREOF the said Grantor has to these presents set hand and seal this date \_\_January 30, Signed, sealed and delivered in the presence of: (BEAL) Witness Klamath County of , personally appreared the above named 1992 30th day January of On this and acknowledged the foregoing Judith L. Ral Sh'D Lyon Lyon and instrument to be \_ - their: voluntary act and deed. Before me. SEN Sandra andsaker My commission expires

REQUEST FOR FULL R	ECONVEYANCE	Dated
TO TRUSTEE:  The undersigned is the legal owner and holder of all indebtedness secured by this De are requested, on payment to you of any sums owing to you under the terms of said I of Trust, delivered to you herewith and to reconvey, without warranty, to the parties de the name.	ed of Trust. All sums se beed of Trust, to cancel signated by the terms of	cured by said Deed of Trust have been pald, and you all evidences of indebtedness, secured by said Deed said Deed of Trust, the estate now held by you under
Mail Reconveyance to:		
	Ву	
Do not lose or destroy. This Deed of Trust must be delivered to the	By • Trustee for cancellat	ion before reconveyance will be made.

Ву Ттіне	Witness my hand and seal of County affixed.	o'clock m., and recorded in book on page Record of Mortgage of said County.	at the within instrument	County ofss.	STATE OF OREGON,	Beneficiary	Crantor	
****	* *							

TRUST DEED

## EXHIBIT "A"

A parcel of land in the SE 1/4 SE 1/4 of Section 35, Township 40 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the South line of Section 35 which is 208.71 feet West of the Southeast corner of said Section, said point of beginning also being the Southwest corner of 1 acre parcel conveyed to United States of America by Deed Volume 25 at Page 457; thence North along the West line of said parcel a distance of 208.71 feet, more or less, to the Northwest corner thereof; thence West parallel to the South line of Section 35 a distance of 4 chains 75 links (313.50 feet), more or less to a point on the Easterly line of parcel conveyed to Walter L. Wilson, et ux., by Deed Volume 299 at Page 414; thence Southerly and Easterly along the Easterly line of said parcel to the South line of Section 35; thence East along the South line of Section 35 a distance of 2 chains (132 feet), more or less to the point of beginning.

EXCEPTING THEREFROM that portion lying within the boundaries of the Little Adams (D-1) Canal.

ALSO EXCEPTING THEREFROM that portion lying within the boundaries of Anderson Road.

CODE 18 MAP 4010-3500 TL 1700

STATE O	F OREGON: COUNTY OF KLAMATH: ss.	
	record at request of Aspen Title	the 31st da  o'clock A.M., and duly recorded in Vol. M92  on Page 2112  Evelyn Biehn County Clerk  By Oarthur Multination
FEE	\$18.00	by SEASTIFFE

Return: ATC