

**TRUST DEED**

19 92... between

as Trustee, and

as Trustee, and

as Beneficiary.

**WITNESSETH:**

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property

SEE ATTACHED EXHIBIT A FOR LEGAL DESCRIPTION

LOAN #204831 DATED MARCH 6, 1992 TO REULAND ELECTRIC COMPANY DBA WILLOW VALLEY LAND & CATTLE CO. IN THE AMOUNT OF \$350,000.00 AND MATURING MARCH 15, 1997.

LOAN #204831 DATED MARCH 6, 1992  
& CATTLE CO. IN THE AMOUNT OF \$350,000.00 AND MATURING MARCH 15, 1997.  
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 connec-  
tion with said real estate. OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the  
----- (\$350,000.00) -----

FOR THE PURPOSE OF SECURING PERFORMANCE OF each agreement of grantor herein contained and payment of the sum of THREE HUNDRED FIFTY THOUSAND AND NO/100----- (\$350,000.00)----- Dollars, with interest thereon according to the terms of a promissory

FOR THE PURPOSE OF SECURING PERSONAL AND FAMILY EXPENSES OF GRANTOR, the sum of THREE HUNDRED FIFTY THOUSAND AND NO/100----- (\$350,000.00) Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if any, shall be paid on or before MARCH 15, 1997 WITH RIGHTS TO FUTURE ADVANCES on which the final installment of said note shall be paid.

not  
RENEWALS

note of even date herewith, payable to MARCH 15, 1997. WITH RESERVE  
not sooner paid, to be due and payable secured by this instrument is the date, stated above, on which the final installment of said note  
becomes due and payable. The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note  
sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary,  
then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or  
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; and

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or

manner any building or improvement due all costs incurred therefor.  
destroyed thereon, and pay when with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay the filing same in the public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To cause to be maintained and keep in force fire insurance on the building

proper police officers or searching agencies as may be deemed necessary by the beneficiary.

4. To provide and continuously maintain insurance on the building now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, it and amount not less than \$\_\_\_\_\_. **TOTAL AMOUNT** \_\_\_\_\_; the latter; all companies acceptable shall be delivered to the beneficiary as soon as insured policies of insurance shall fail for any reason to protect any such insurance and if the grantor shall fail for any reason to procure any such insurance prior to the expiration of said policy to the beneficiary at least fifteen days prior to the expiration of said policy to the beneficiary at least fifteen days prior to the expiration of any policy of insurance name the same at grantor's expense. The amount of the beneficiary may procure any other insurance policy may be applied by the beneficiary collected under any fire or other insurance secured hereby and in such order as beneficiary upon an indebtedness secured hereby and in such order as beneficiary may determine, or at the option of beneficiary the entire amount so collected, any part thereof, may be released to grantor. Such application or release shall not cur or waive any default or notice of default hereunder or invalidate any demand pursuant to such notice.

any part thereof or waive any default or notice of default hereunder and not cur or pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof and the amount so paid, with additions described in paragraphs 6 and 7 of this hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from or under any of the provisions herein and for such payments, with interest shall be bound to the covenants hereinbefore described, as well as the grantor of the obligation herein stated that they are bound for the payment of the obligation immediately described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and

6. To pay all costs, fees and expenses of this trust including the cost of title search, as well as the other costs and expenses of the trustee and attorney's in connection with or in enforcing this obligation and trustee's and attorney's costs, fees and expenses incurred in any action or proceeding purporting to enforce this obligation.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any action or proceeding in which the beneficiary or trustee may appear, including action or proceeding for the foreclosure of this deed, to pay all appeal costs and expenses, including evidence of title and all costs mentioned in this paragraph 7 in and to the amount of attorney's fees mentioned in this paragraph 7 in and to the amount of attorney's fees and in the event of an appeal, the amount of attorney's fees of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees and costs. RPTal.

It is mutually agreed 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 to, if so elected, to require that all or any portion of the monies payable under the right of eminent domain or condemnation shall be paid to beneficiary as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily incurred by beneficiary in such proceedings, shall be paid to beneficiary and to pay all reasonable costs, expenses and attorney's fees and attorney's fees incurred by grantor in such proceedings, and the balance applied upon the indebtedness applied by it at that upon any reasonable costs and expenses or incurred by beneficiary in the trial and appellate courts, necessarily incurred by beneficiary in such proceedings, and grantor agrees, at its own expense, to take such action as may be necessary to execute such instruments as shall be necessary in obtaining such costs and execute such instruments upon beneficiary's request.

and execution promptly upon beneficiary's request.

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "trustee" or persons thereof; and the recitals therein of any "matters or facts" shall be conclusively proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

[illegible]

less costs and expenses of collection, shall be paid to the beneficiary of said property, the beneficiary may determine.

The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards to any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

The payment of any indebtedness secured

[illegible]

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, and at any time prior to the date of the sale, the trustee may cure the default or defaults. If the default or defaults are cured by payment of the amount secured by the trust deed, the default may be cured by payment of the entire amount due at the time of cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance necessary to bring the obligation or trust deed into compliance with the terms of the obligation or trust deed. In any case, in addition to curing the default or defaults, the expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided in the law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or 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 matter or fact shall be conclusive proof of the truthfulness thereof. Any purchase at the sale.

**15.** When trustee sells pursuant to powers provided herein, trustee shall apply the proceeds of sale in payment of (1) the expenses of sale, (2) the satisfaction of the trustee and (3) to all persons including the beneficiaries of the trust or the estate of the deceased settlor, (2) to the obligation secured by the interest of the trustee in the trust at any time, and (3) to the balance of the proceeds of sale; and if there have recorded liens subsequent to the date of the death of the settlor having recorded liens subsequent to the date of their priority and (4) the interest of the beneficiary in the trust property, the trustee shall deed as they interest may appear in the order of their priority and such surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

[illegible]

17. Trustee accepts this trust when this deed, 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, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

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 the purchase, construction, reconstruction, improvement, repair, maintenance, or replacement of real property, or (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.

NOEL C. NEULAND

INDIVIDUAL ACKNOWLEDGMENT

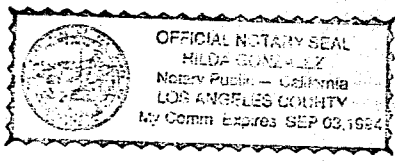
NO. 201

State of California }  
County of Los Angeles } SS.

On this the 20 day of March 19 92 before me,

Hilda Gonzalez  
the undersigned Notary Public, personally appeared

NOEL NEULAND



☐ personally known to me  
☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) NOEL NEULAND subscribed to the within instrument, and acknowledged that HE executed it.  
WITNESS my hand and official seal.

Hilda Gonzalez  
Notary's Signature

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to another document.

THIS CERTIFICATE  
MUST BE ATTACHED  
TO THE DOCUMENT  
DESCRIBED AT RIGHT:

Title or Type of Document \_\_\_\_\_  
Number of Pages \_\_\_\_\_ Date of Document \_\_\_\_\_  
Signer(s) Other Than Named Above \_\_\_\_\_

7100-109

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Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED  
(FORM No. 881)

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

REULAND ELECTRIC DBA  
WILLOW VALLEY LAND & CATTLE  
CO. Grantor

SOUTH VALLEY STATE BANK  
Beneficiary

AFTER RECORDING RETURN TO  
SOUTH VALLEY STATE BANK  
801 MAIN ST  
KLAMATH FALLS, OR 97601

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON, }  
County of \_\_\_\_\_ } SS.

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book/reel/volume No. \_\_\_\_\_ on page \_\_\_\_\_ or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE  
By \_\_\_\_\_ Deputy

EXHIBIT A  
LEGAL DESCRIPTION

PARCEL 1

In Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon:

- Section 17: W1/2 SW1/4  
Section 18: That portion of the E1/2 SE1/4 lying East of the County Road  
Section 19: That portion of the E1/2 E1/2 lying East of the County Road  
Section 20: NW1/4, and the S1/2 EXCEPT that portion lying Westerly and Southwesterly of the County Road.  
Section 28: W1/2, and the SW1/4 SE1/4 EXCEPT that portion described in Deed Volume 275, page 473.  
Section 29: N1/2, and the NE1/4 SW1/4, and the SE1/4 EXCEPT that portion described in Deed Volume 275, page 473.  
Section 32: NE1/4, EXCEPT that portion described in Deed Volume 275, page 473.  
Section 33: W1/2, and the W1/2 E1/2 EXCEPT that portion described in Deed Volume 275, page 473.

In Township 41 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon:

- Section 3: All, EXCEPT Government Lot 1  
Section 4: All, EXCEPT that portion lying South of the County Road.  
Section 5: Government Lot 1, and the SE1/4 NE1/4  
Section 9: N1/2 NE1/4 EXCEPT that portion lying South of the County Road.  
Section 10: N1/2 NW1/4 EXCEPT that portion lying South of the County Road.

PARCEL 2

In Township 40 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon:

- Section 33: E1/2 SE1/4  
Section 34: SW1/4 SW1/4

In Township 41 South, Range 14 East of the Willamette Meridian, Klamath County, Oregon:

- Section 3: Government Lot 1

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 8th day  
of April A.D., 19 92 at 2:26 o'clock P.M., and duly recorded in Vol. M92,  
of Mortgages on Page 7360.

FEE \$20.00

Evelyn Biehn County Clerk

By Douglas Mulender