

TRUST DEED

as Grantor. MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY

as *Beneficiary*.

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of THIRTY THOUSAND AND NO/100 -----

----- 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, it not sooner paid, to be due and payable May 22 19 97

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within-described property, or any part thereof, or any interest therein is sold, assigned to, 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, not to convert or permit any waste of said property.

2 To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred thereon.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper 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.

beneficiary. 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 hazard, as the beneficiary may from time to time require, in an amount not less than \$ full insurable value, written in companies acceptable to the beneficiary, with loss payable to the latter, all policies of insurance shall be delivered to the beneficiary as soon as issued, if the grantor shall have the authority to procure and pay for such insurance, and to bind the building therefor, and the beneficiary shall have the right of retention of any policy of insurance now or hereafter placed on said building; the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be delivered to grantor. Such application of release shall not constitute a release of the grantor from the payment of default hereunder or invalidity and does not extend to such release.

net due pursuant to such notice.

11. The Grantor shall pay, for the benefit of the Beneficiary, 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 the beneficiary; should the Grantor fail to make payment of any taxes, assessments, insurance premiums or other charges payable by grantor, either by direct payment or by deduction from the beneficiary's payments, the beneficiary shall have the right to, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured 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 breach of any of the covenants of this trust deed.

12. The Grantor, its heirs, assigns, personal representatives, administrators, executors, and assigns, as well as the grantor, shall be bound to the same extent that they are bound by the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the non-payment 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 incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect security rights or powers of beneficiary or trustee, and in any suit or proceeding in which the beneficiary or trustee may appear, including:

action of foreclosure, in which the beneficiary or trustee, upon appearing, may, at any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees, the amount of attorney's fees contained in this paragraph 7 in all cases shall be paid by the trial court and in the event of an appeal from any judgment or decree 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 on such appeal.

It is mutually agreed that:

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In the event that any portion of all said property shall be taken under the right of eminent domain hereafter, hereunto shall be the right, if it so elects, to require that all or any portion of the monies (as well as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by grantor in such proceedings) shall be paid to beneficiary and retained by it if it so elects, and if not so elected, shall be paid to beneficiary both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby, and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such sums of money.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any party, for the payment of the indebtedness, trustee may (a) consent to the making of any transfer of all or part of said property; (b) run a

granting any covenant or creating any restriction thereon, or in any subordination or other agreement affecting the deed or the lien or charge thereof, (d) receives, without warranty, all or any part of the property. The grantee in any conveyance may be described as the person or persons legally entitled thereto, and the rental thereon any matter or matters to be comprised part of the turkubases thereof. Trustees for the any of the services mentioned in this act, which shall be not less than \$8.

PRICES IN THE MARKET FOR agricultural products in the U.S. are generally higher than in other countries. This is due to a number of factors, including the fact that the United States is a large country with a high level of agricultural production. The United States is also a country with a high level of technological advancement, which has led to the development of new and improved agricultural products. The United States is also a country with a high level of government support for agriculture, which has led to the development of a strong agricultural sector. The United States is also a country with a high level of demand for agricultural products, which has led to the development of a strong agricultural sector. The United States is also a country with a high level of government support for agriculture, which has led to the development of a strong agricultural sector. The United States is also a country with a high level of demand for agricultural products, which has led to the development of a strong agricultural sector.

11. The entering upon and taking possession of such property, collection of such rents, issues and profits, or the proceeds thereof, or insurance policies or compensations or awards for any taking or damage to property, and the application of same therefor as aforesaid, shall not constitute any default or notice of default hereunder or constitute any act or omission pursuant to such notice.

[illegible]

in the manner provided in ORS 86.010, and the trustee is not committed to foreclose by advertisement or sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so provided for by ORS 86.724, may cure the default or defaults. If the default consists of a failure to pay any scheduled payment, the person effecting the cure must pay the entire amount due at the time of the cure other than such a payment as then has been due had no default occurred. Any other default that is being cured may be cured by tendering the amount of the default. In curing defaults, the person effecting the cure shall pay in addition to curing the default, the expenses actually incurred in enforcing the obligation of the trust, together with trustee's and attorney's fees not exceeding the amount of the

14. *Otherwise*, the trust shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale shall be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the same in parcels of no less than the highest bidder in each, payable at the time of sale. The highest bidder shall be bound to purchase the same, and to pay for the same the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed for any matters of fact shall be conclusive as to the truthfulness thereof. Any person, excluding the trustee, but including

18. When transferor sells pursuant to the power provided herein, transferor shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the transferor and a reasonable charge by transferor, attorney, etc., to the extent so ordered by the trust agreement; (2) the balance having been paid hereof, to the extent of the principal of the trust, and (3) the balance remaining to the income of the trust for the year in which the sale is made.

18. *Beneficiary's election.* If the trust is a revocable trust, the beneficiary may, by a written instrument, elect to have the trust treated as a trust for the beneficiary under. Upon such assignment and with the concurrence of the trustee, the latter shall be deemed to have assigned to the beneficiary all of the property upon which the trust is deemed to have been made, and the beneficiary shall be deemed to have assigned to the trustee all of the property upon which the trust is deemed to have been made, and the trustee shall be deemed to have assigned to the beneficiary all of the property upon which the trust is deemed to have been made, and the beneficiary shall be deemed to have assigned to the trustee all of the property upon which the trust is deemed to have been made.

17. Trustee accepts this trust when the day after the date of acknowledgment is made a public record and published in the newspaper published in the county in which the property is situated, and the trustee shall be deemed to have accepted the trust as of the date of recording in which the acknowledgment is made, and the trustee shall be a party, unless such action is taken within the time specified in the

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 except Trust Deed recorded August 31, 1989 in Volume M89, page 16408, Microfilm Records of Klamath County Oregon in favor of Elizabeth Wood, as Beneficiary; and Trust Deed recorded May 22, 1992, in Volume M92 page 11227, Microfilm Records of Klamath County, Oregon in favor of William H. Grund as Beneficiary and that he will warrant and forever defend the same against all persons whomsoever. /Grund as Beneficiary

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a)* primarily for grantor's personal, family or household purposes (see Important Notice below).
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

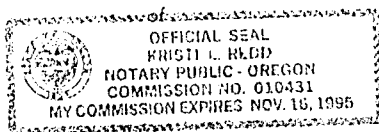
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Evan Thompson
EVAN THOMPSON

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on May 22, 1992,
by EVAN THOMPSON
This instrument was acknowledged before me on _____, 19____,
by _____
as _____



Kristi L. Redd
Notary Public for Oregon
My commission expires 11/16/95

REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

TO:

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to

DATED: _____, 19____

Beneficiary

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

TRUST DEED

(FORM No. 881)

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

EVAN THOMPSON

Grantor

WILLIAM H. GRUND

Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,) ss.
County of _____

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

11232

MTC NO 27600

LEGAL DESCRIPTION

All that portion of the W 1/2 of the SW1/4, the S1/2 of the SW1/4 of the NW1/4 and the S1/2 of the N1/2 of the SW1/4 of the NW1/4 of Section 26, Township 33 South, Range 7 1/2 East of the Willamette Meridian, Klamath County, Oregon, which lies East of the Dalles-California Highway (old location).

EXCEPTING a parcel of land heretofore conveyed to the State of Oregon by deed recorded in Deed Volume 111 at page 21, Records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 22nd day
of May A.D., 19 92 at 4:29 o'clock P.M. and duly recorded in Vol. M92
of Mortgages on Page 11230
By Evelyn Bighn County Clerk

FEE \$20.00