

**WITNESSETH:**

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

sum of one hundred thousand four hundred thirty-five and no/100  
 \*\*\*\*\* Dollars, with interest thereon according to the terms of a promissory  
 \*\*\*\*\* Note, dated November 23, 1991, made by grantor, the final payment of principal and interest hereof, if  
 not of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if  
 not sooner paid, to be due and payable as per terms of November 23, 1991 Note.  
 At the debt secured by this instrument is the date, stated above, on which the final installment of said note  
 is due, the debt secured by this instrument is the date, stated above, on which the final installment of said note

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, agreed to be 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:

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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 commit or permit any waste of said property.

2. To replace or restore promptly and in good and workmanlike manner any building or improvement removed or damaged by fire, flood, wind, or other cause.

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 therefor.

3. To comply with any and all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in and execute all documents and to pay the costs of filing same in the Uniform Commercial Code as the beneficiary may require and to pay for all lien searches made by 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 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, and an amount not less than \$\_\_\_\_\_ the latter, or the company or companies acceptable to the beneficiary, with loss payable to the latter; a policy of insurance shall be delivered to the beneficiary as soon as insured and if the grantor shall fail for any reason to deliver any such insurance and if the grantor shall fail to deliver said policies at least fifteen days prior to the expiration 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 policy or other insurance policy may be applied by the beneficiary to the indebtedness secured hereby and in such order as the beneficiary may determine, or at option of beneficiary the entire amount so collected, may upon demand therefor, be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any action pursuant to such notice.

5. To keep said premises free from construction liens and to pay taxes, assessments and other charges that may be levied or assessed upon said premises, the grantor hereby agrees to pay all such receipts thereon against said trust prior to and before any such taxes, assessments and charges become past due or delinquent and promptly deliver to the beneficiary should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges 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 thereon and the amount so paid, with interest at the rate set forth in the note used 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 the provisions of the covenants hereof and for such payments, with interest as aforesaid, the parties hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound to the payment of the obligation hereby described, and all such payments thereof shall, at the option of the beneficiary, be made immediately due and payable by the grantor, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable by the grantor in breach of this trust deed.

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.

[illegible]

**It is mutually agreed that:**

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8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portions of the amount required as compensation for such taking, which in excess of the attorney's fees necessarily paid or incurred by grantor in any reasonable costs and expenses and attorney's fees, applied by the first 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 actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

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 reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may:

(a) consent to the making of any map or plat of said property; (b) join in

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 "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall not be less than \$5.

10. Upon any default by grantor, beneficiary, agent or by a receiver to be appointed without notice, either in person or by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, the grantor and take possession of said property, or any profits, including those past due and unpaid, and apply the same, issues and proceeds, to the satisfaction of the indebtedness, and for the payment of all costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. 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 for 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.

[illegible][illegible]

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or, if the trustee may sell said property or any part thereof in separate parcels and shall sell the parcel or parcels in such manner as to produce the highest price for the same, then by public auction to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser the title to the property as required by law conveyed and the property shall be sold without any covenant or warranty, express or implied, by the trustee. The recitals in the deed of any matters of fact shall be conclusively true and correct. The trustee, by his or her agent, shall execute the deed of the truthfulness thereof. Any person who is present at the sale.

15. When trustee sells or conveys to payment of (1) the expenses of sale or conveyance, (2) the compensation of the trustee and a reasonable attorney's fee, (3) to the obligation secured by the trust, (4) to all persons having recorded liens subsequent to the date of the trust, (5) to all persons having recorded liens subsequent to the date of the trust in the order of their priority, and (6) to all persons having recorded liens subsequent to the date of the trust in the order of their priority, the trustee shall, if any, to the grantor or to his successor in interest entitled to the surplus, pay the balance of the proceeds of the sale or conveyance to the grantor or to his successor in interest entitled to the surplus.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, all title, powers and duties conferred upon the trustee, the latter shall be vested in the trustee appointed hereunder. Each such appointment by written instrument executed by beneficiary and substituted shall be recorded in the mortgage records of the county or counties in which, when recorded, shall be conclusive proof of proper appointment.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending sale under any other trust or of any action or proceeding in which grantor, beneficiary or trustee or of any 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 696.565.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

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

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

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

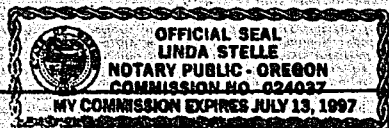
\* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required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

TURNSTONE, INC.

ROBERT MULLEN, PRESIDENT  
DONALD J. LEGGET, SECRETARY

STATE OF OREGON, County of Klamath ss. 5-28, 1993  
This instrument was acknowledged before me on

by Robert Mullen & Donald J. Legget  
This instrument was acknowledged before me on 5-28, 1993.  
by Robert Mullen as President  
as Donald J. Legget as Secretary  
of Turnstone, Inc.



Linda Stelle  
Notary Public for Oregon  
My commission expires 7/13/97

#### REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: \_\_\_\_\_, Trustee

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. 681)

Turnstone, Inc.  
2250 Ranch Rd  
Ashland, Or 97520  
Grantor  
Robert Mullen  
2250 Ranch Rd  
Ashland, Or 97520  
Beneficiary

AFTER RECORDING RETURN TO

Turnstone, Inc.  
2250 Ranch Rd  
Ashland, Or 97520

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON,  
County of Klamath ss.

I certify that the within instrument was received for record on the 28th day of May, 1993, at 10:25 o'clock A.M., and recorded in book/reel/volume No. M93 on page 12249 or as fee/file/instrument/microfilm/reception No. 62216, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk  
NAME TITLE

By Annette Mueller Deputy

Fees: \$15.00