

JOHN C. REAN as Grantor,
MOUNTAIN TITLE COMPANY OF Klamath County as Trustee, and
W.E. KISER as Beneficiary,

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in **Klamath County, Oregon** described as:
SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

TOGETHER WITH ALL AND SINGULAR THE TENEMENTS, HEREDITAMENTS AND APPURTENANCES AND ALL OTHER RIGHTS THEREUNTO BELONGING OR IN ANYWISE NOW OR HEREAFTER ATTACHED TO OR USED IN CONNECTION WITH THE PROPERTY.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of **FIVE THOUSAND AND NO/100 DOLLARS** (\$5,000.00) to be paid 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 **March 1, 1999**.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable.

To protect the security of this trust deed, grantor agrees:
1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of the property.
2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements, covenants, conditions and restrictions affecting the property.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than \$100,000.00, insurable at least fifteen days prior to the expiration of any policy of insurance, now or hereafter, placed on the buildings, 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, under or invalidates any act done pursuant to such notice.

5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the 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 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 payments, beneficiary may, 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 hereof and for such payments, with interest as aforesaid, the property hereinafter described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, able and constitute a 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.
7. To appear in and defend any action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, and 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 mentioned in this paragraph 7 in all cases shall be fixed 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.
8. In the event that any portion or all of the 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 portion of the monies payable as compensation for such taking, 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 subdivisions, affiliates, agents or branches in the United States or any agency thereof, or an escrow agent licensed under ORS 95.505 to 95.585.

TRUST DEED
JOHN C. REAN
W.E. KISER
MOUNTAIN TITLE COMPANY OF Klamath County

STATE OF OREGON
County of **Klamath**
I certify that the within instrument was recorded for record on the **19th** day of **March**, 1999, at **10:00 AM**, and recorded in book/deed/volume No. **194** on page **9161** and/or as fee/file/instrument/record/reception No. **194** of said County.
Witness my hand and seal of **Klamath County** this **19th** day of **March**, 1999.
NAME **W.E. KISER** TITLE **Deputy**

which are in excess of the amount required to pay all reasonable costs and expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid by the beneficiary and shall be paid by the 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 reconveyance, for cancellation), without affecting the liability of any person for payment of the indebtedness secured hereby, may (a) execute a deed conveying any part or plot of the 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) join in any restriction thereon; (e) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (f) join in any restriction thereon; and the recitals therein of any matters or facts shall be conclusive proof of the truth of the same. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, 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, enter upon and take possession of the property or any part thereof in its own name and or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less 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 the property, the collection of such rents, issues and profits, or the proceeds of the sale 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary may elect to proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.733 to 86.735.

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, the grantor or any other person so privileged by ORS 86.733, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure or other 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 required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the 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 matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to any successor in interest entitled to such 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 or appointments, the trustee named or appointed hereunder shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

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 hereof 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.

18. The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto except none.

19. The grantor warrants and forever defend the same against all persons whomsoever, and that the grantor will warrant and forever defend the same against all persons whomsoever.

20. 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), 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 pledges, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the contract requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.

JOHN C. RYAN
This instrument was acknowledged before me on March 22, 1994
by JOHN C. RYAN
This instrument was acknowledged before me on _____, 19____
by _____



Jessica Whitelatch
Notary Public for Oregon
My commission expires 11/7/97

TO: TRUSTEE REQUEST FOR FULL RECONVEYANCE (to be filed only when obligations have been paid.)

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the 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 the trust deed or pursuant to a deed of trust to cancel all evidence of such indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey with warranty, to the parties designated by the terms of the trust deed the entire parcel land by recordable deed to the legal owner and holder of the same.

DATED: _____ 19____

Do not file or deliver this Trust Deed OR THE NOTE which it secures until the full amount of the indebtedness secured by the trust deed has been paid in full. Both must be delivered to the trustee for cancellation before reconveyance will be made.

JOHN C. RYAN

Beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

That part of the South 10 acres of the NW1/4 NE1/4 of Section 18, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, lying Westerly of the Westerly line of The Klamath Falls-Weed Highway.

EXCEPTING THEREFROM that portion conveyed to the State of Oregon by and through its Department of Transportation, Highway Division, as evidenced by Warranty Deed, recorded March 10, 1992 in Volume M92, page 5035, Microfilm Records of Klamath County, Oregon, more particularly described as follows:

Beginning at Engineer's center line Station 247+76.35, said station being 12,553.26 feet North and 905.45 feet West of the Southeast corner of Section 19, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon; thence South 20 degrees 35' 30" West 255.81 feet; thence on a spiral curve left (the long chord of which bears South 19 degrees 33' West 499.93 feet) 500 feet; thence on an 4583.66 foot radius curve left (the long chord of which bears South 1 degree 51' 25.5" West 2466.75 feet) 2497.53 feet; thence on a spiral curve left (the long chord of which bears South 15 degrees 50' 09" East 499.93 feet) 500 feet; thence South 16 degrees 52' 39" East 1878.54 feet; thence on a spiral curve right (the long chord of which bears South 14 degrees 52' 40" East 599.71 feet) 600 feet; thence on a 2864.79 foot radius curve right (the long chord of which bears South 6 degrees 02' 16.5" East 483.38 feet) 483.96 feet; thence on a spiral curve right (the long chord of which bears South 2 degrees 48' 07" West 599.71 feet) 600 feet; thence South 4 degrees 48' 06" West 4533.62 feet; thence on a spiral curve right (the long chord of which bears South 6 degrees 11' 26" West 499.88 feet) 500 feet; thence on a 3437.75 foot radius curve right (the long chord of which bears South 21 degrees 14' 22" West 1461.30 feet) 1472.53 feet; thence on a spiral curve right (the long chord of which bears South 36 degrees 17' 13" West 499.88 feet) 500 feet; thence South 37 degrees 40' 38" West 2079.02 feet to Engineer's center line Station 411+77.36.

STATE OF OREGON, COUNTY OF KLAMATH:

Filed for record at request of Mountain Title Co.
of March A.D. 1994 at 2:38 o'clock P.M. and duly recorded in Vol. 29th day
of March 1994 on Page 9161
FFB \$20.00
By Valyn Blahn County Clerk
By W. J. Miller Notary Public