

DEED IN LIEU OF FORECLOSURE  
MICHAEL L. YANG  
GORDON, ASPIN, TEEB AND STONE COMPANY  
ATTORNEYS AT LAW  
100 SW 5TH AVENUE, SUITE 1000  
PORTLAND, OREGON 97204-3121  
TELEPHONE: (503) 222-1111  
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**Beneficiary:**  
MICHAEL L. YANG  
GORDON, ASPIN, TEEB AND STONE COMPANY  
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100 SW 5TH AVENUE, SUITE 1000  
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together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter pertaining, 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 **FOUR THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$4,750.00)**

plus interest thereon according to the terms of a promissory note of even date herewith, payable to Michael L. Yang, and held by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable on **MARCH 15, 2006**.

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, or 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 commit or permit any waste upon said property.

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

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, if any; and the beneficiary so requests, to make a copy of such documents available to the Uniform Commercial Code or the beneficiary, may require and to pay for filing same in the appropriate office of offices, as well as the cost of all fees rendered made by filing officers or searching agencies, as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on said premises 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 \$3,000.00 per annum, with premiums, 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, and the grantor shall fail for any reason to procure any such insurance, he shall deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense, and the amounts collected under any fire or other insurance policy, may be applied by the beneficiary upon any indebtedness secured hereby, and so retained as beneficiary may determine, or as option of beneficiary, the amounts so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default, notice of default hereunder or otherwise, any act alone 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 due or delinquent and promptly collect, except as theretofore agreed, the grantee fails to make payment of any taxes, assessments, or other charges, the grantor, his heirs, executors, administrators, heirs or other charges payable by grantor, either immediately 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, less interest at the rate set forth in the notes secured by 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 hereinabove, the grantor shall be liable to the beneficiary, 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 nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable 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 transfer in connection with or in enforcing the obligation, and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding, supporting, in effect, the legal title of the grantor, his heirs, executors, and in any such action or proceeding, in which the beneficiary, trustee, or attorney, including any attorney for collection on this debt, may be a party, and to defend the claim of attorney's fees and the beneficiary's or trustee's attorney's fees mentioned in this paragraph, if all cases shall be tried 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 adjudicate reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion of 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 the grantor to pay to him the amount payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary, and applied to the first upon any reasonable costs and expenses and attorney's fees, 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, in its own opinion, to take such actions and execute such instruments as, in the opinion of the grantor, will facilitate, promptly, when beneficiary so requires.

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 the payment of the indebtedness, trustee may (a) consent to the making of any map or plan of said property, (b) record

NOTES: (a) The Uniform Deed Act provides that a transferor must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association, or a corporation registered under the laws of Oregon or the United States, while insurance company authorized to insure title to real property, or its state, its subsidiaries, affiliates, agents or branches, the United States, its agency thereof, or no escrow agent licensed under ORS 606.505 to 606.512.

returning under seal  
and unopened till then.

IN WITNESS WHEREOF,

- (a) I, Michael E. Long, do hereby state that the proceeds of the four certificates of deposit above described note and this trust deed are:
- (1) personally for my personal, family or household purposes (see Important Notice below),
  - (2) for an investment, or (3) if a value is attached thereto for business or commercial purposes.

This deed applies to assets to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term "beneficiary" means both the holder and owner, including pledgee, of the contract referred hereto, 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 vice versa 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** Dated by law as follows which may vary from time to time:  
Notaries Public shall be available and accessible to receive documents presented to them in the course of their official duties.  
Beneficiary: At the completion of the transaction, the making of title documents for this instrument, the Notary Public shall be available to comply with the requirements of ORS 144.410 regarding the Notary Public's compliance with ORS 144.410.

Michael E. Long

STATE OF OREGON, County of Washington, ss.

This instrument was acknowledged before me on March 23, 1994.

OFFICIAL SEAL  
  
KATHY LEACH RICH  
NOTARY PUBLIC, OREGON  
COMMISSION NO. 2589  
MY COMMISSION EXPIRES 12/31/97

Notary Public for Oregon

7/5/97

TO: Michael E. Long, Trustee, Washington, OR  
The undersigned Notary Public, who is authorized to administer oaths, certifies that the foregoing trust deed, all sums secured by said trust deed have been duly paid and satisfied. This copy is enclosed on payment to you of any sums owing to you under the terms of said trust deed, and is also enclosed on payment to you of any sums owing to you under the original trust deed (which are delivered to you herewith together with said trust deed) to recover without interest, to the parties designated by the terms of said trust deed the sum of \$10,000.00 (Ten Thousand Dollars) and no cents, plus interest and documentary stamp tax.

Beneficiary

TRUST DEED  
Dated March 23, 1994

MICHAEL E. LONG  
REVENUE  
VALLEY TRAIL, INC.  
DRIVE INC.  
2001-B, Balmanno  
P.O. Box 179  
Las Vegas, NV 89119  
Gardner, Nevada  
BENEFICIARY: Michael E. Long

STATE OF OREGON,

County of Klamath,

I certify that the within instrument was received for record on the 31st day of March, 1994.

At the Clerk's Office, Klamath County, in book/reel/volume No. 19439, page 9439 or index/file/instrument/microfilm/reception No. 13135, Record of Mortgages of said County.

Witness my hand and seal of Klamath County affixed.

Evelyn Biehn, County Clerk  
Klamath County, Oregon

By Deanne Miller, Deputy Clerk  
Klamath County, Oregon

Rec'd 10:30 AM 03-24-1994 100-1121-000