

95-123

02-21-95 PC3-21 R V

TRUST DEED

Vol. 95 Page 4230

THIS TRUST DEED, made this 11 day of December, 1994, between

Lima Burr Inc., an Oregon Corporation, as Grantor,  
Klamath County Title Co., as Trustee, and

Carl B. Thornton, 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:

Parcel 2: The NW1/4NW1/4 in Section 19, Township 33 South, Range 7 East of the Willamette Meridian, Klamath County Title Company. (Osborn)

Parcel 3: NW1/4NW1/4 of Section 17, Township 33 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon. (Seagren)

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 the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of \$100,000.00, See M95 Page 3832

note of even date herewith, payable to beneficiary or order and to be by grantor the final payment of principal and interest hereof, if not sooner paid, to be due and payable On Demand.

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. Should the grantor fail to pay the note when due, the trustee shall have the right to sell the property without first obtaining the written consent or approval of the beneficiary. Then, at the option of the trustee, all obligations secured by this instrument, in respect of the maturity dates expressed therein or herein, shall be deemed immediately due and payable. The execution of this instrument by grantor of a deed of trust does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, the grantor agrees: 1. To protect, preserve and maintain the property in good condition and repair and not to remove or demolish any building or improvement thereon, nor to commit or permit any act which would materially diminish the value of the property and habitability thereof. 2. To complete or restore promptly any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due the cost of such repairs or reconstruction. 3. To comply with all laws, ordinances, regulations and restrictions affecting the property, if the beneficiary should require the grantor to execute such financing agreements pursuant to the Uniform Commercial Code as the beneficiary may require and to the satisfaction of the beneficiary. 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 may be within the company acceptable to the beneficiary. The beneficiary shall have the right to require the grantor to provide such insurance and to deliver the policies to the beneficiary. The beneficiary may, at its option, make payment of the premium for such insurance. The amount of such insurance shall be determined by the beneficiary. The beneficiary shall have the right to determine, at its option, whether or not to release the grantor from the obligation to maintain such insurance. The beneficiary shall have the right to determine, at its option, whether or not to release the grantor from the obligation to maintain such insurance.

5. To keep the property free from liens and encumbrances and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the property before any sale or other disposition thereof. The grantor shall be bound to make payment of any taxes, assessments, insurance premiums, interest or other charges payable by the grantor or by providing beneficiary with funds with which to make such payments. The amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured by this trust deed. 6. The grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured, and the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured, and the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured.

7. To pay all costs, fees and expenses of the trustee incurred in connection with or in enforcement of this trust deed. 8. To appear in and defend any action or proceeding brought by the trustee or beneficiary in connection with this trust deed, and to pay all costs and expenses, including attorney's fees, incurred by the trustee or beneficiary in connection with this trust deed. 9. In the event that any portion of the property shall be taken under the right of eminent domain or condemnation, the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured, and the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured.

10. To pay all costs, fees and expenses of the trustee incurred in connection with or in enforcement of this trust deed. 11. To appear in and defend any action or proceeding brought by the trustee or beneficiary in connection with this trust deed, and to pay all costs and expenses, including attorney's fees, incurred by the trustee or beneficiary in connection with this trust deed. 12. In the event that any portion of the property shall be taken under the right of eminent domain or condemnation, the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured, and the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein secured.

NOTE: The Trust Deed Act provides that the trustee hereof is a savings and loan association authorized to do business in this state, its subsidiaries, affiliates, agents or brokers. The Trust Deed Act regulates and may prohibit the exercise of this deed. The publisher suggests that each agreement address the issue of obtaining beneficiary's consent in complete detail.

TRUST DEED

STATE OF OREGON,

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. of said County.

Witness my hand and seal of County affixed.

NAME TITLE

By, Deputy

Grantor

Beneficiary

After Recording Return to (Name, Address Zip):

Carl B. Thornton  
2112 Homedale Rd.  
Klamath Falls, Or. 97603

which are in excess of the amount required to pay all reasonable costs, expense and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it 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 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 conveyance, 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 the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the lien or charge thereof; (d) convey, without warranty, all or any part of the property. The grantee in any conveyance may be described as the "person or persons" and the recitals hereof shall be conclusive proof of the truthfulness thereof. 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 or 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 unpaid and apply the same, less costs and expenses of foreclosure secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property for any of the purposes mentioned in this paragraph shall not constitute a waiver of any default by grantor hereunder, and shall not affect the right of beneficiary to foreclose by advertisement and sale, or to exercise any other right or remedy, either at law or in equity, which the beneficiary may have in the event of a default by grantor hereunder.

12. Upon default by grantor in payment of any sum secured hereby, the beneficiary may declare all sums secured hereby immediately due and payable, in such event the beneficiary may elect to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose the trust deed by advertisement and sale, or the beneficiary may elect to foreclose by advertisement and sale, the beneficiary shall give 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 86.75 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 30 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.75, may cure the default or defaults. If the default is cured, the default may be cured by paying the entire amount due at the time of the sale, or by tendering the performance of the obligation or trust deed. In any case in addition to curing the default, the beneficiary shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with the interest thereon.

14. Otherwise, the sale shall be held in accordance with the provisions of the Oregon Real Property Law, and 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 full and without any covenant or warranty, express or implied. The recitals in the deed 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 the trustee sells pursuant to the provisions of the Oregon Real Property Law, the proceeds of sale, including the compensation of the trustee, shall be applied to the payment of the indebtedness secured by the trust deed, (1) to all persons having recorded liens subsequent to the date of the trust deed as their priority and (2) the surplus, if any, shall be paid to the grantor or to any successor in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor trustee named herein or to any successor trustee 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 is 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.

The grantor covenants and agrees to defend the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seized in fee simple of the real property and has valid unencumbered title thereto.

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

The grantor warrants that the proceeds of the lien 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 party herein.

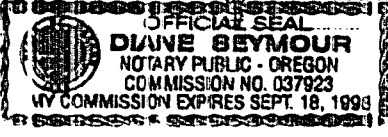
In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that the context so requires the singular shall be construed to mean the plural and that generally all grammatical changes shall be made as assumed and implied to make the provisions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

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

\* 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.

*Randy L. Shaw (Pres.)*  
Timma Burt Inc., an Oregon Corporation

STATE OF OREGON, County of Klamath ) ss.  
This instrument was acknowledged before me on February 17, 1995,  
by Timma Burt Inc., an Oregon Corporation By Randy L. Shaw, President  
This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,  
by Randy Shaw  
as President



*Diane Seymour*  
Notary Public for Oregon  
My commission expires September 18, 1998