

68089.

TRUST DEED

Vol. 1180 Page 20534

THIS TRUST DEED, made this 23<sup>rd</sup> day of October, 1986, between  
LEISURE LODGE, INC., a California corporation,

as Grantor, Klamath County Title Company,  
L. D. MINOR and OMA MINOR, husband and wife, as joint tenants  
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:

## SEE DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

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.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Forty-five Thousand Two Hundred Thirty-three And 100/100

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 if not sooner paid, to be due and payable January 1, 1987.

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 beneficiaries, 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.

The above described real property is not currently used for agricultural, lumber or grazing purposes.

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, nor to expand or extend any part of said property.

2. To keep and maintain all taxes, assessments and other charges levied upon said property, in full, and any reasonable manner and time, and to pay same as soon as possible after they may be assessed, collected, damaged or due thereon, and pay such taxes, assessments and other charges as may be deemed desirable by the beneficiaries.

3. To provide with all laws, ordinances, regulations, covenants and restrictions now or hereafter existing in the city of Klamath Falls, or any other unit of government in which the above described property is situated, and to comply with such financial statements prepared by the Federal Home Loan Bank Board, or any successor thereto, or any other governmental or public office or officer, as well as the cost of all other expenses made by the grantor in securing title to or conveying title to the beneficiaries.

4. To provide and maintain minimum insurance on the buildings now or hereafter owned by the grantor, and on the land described in such other agreements as the beneficiary may from time to time require, in an amount not less than \$

5. To pay all taxes, assessments and other charges levied upon said property acceptable to the beneficiaries, with loss payable to the latter all taxes, assessments and other charges levied upon said property, and if the grantor shall fail for any reason to pay such taxes, assessments and other charges, he shall pay the beneficiaries at least fifteen days prior to the expiration of any period of insurance now or hereafter placed on said buildings, the amount of any taxes, assessments and other charges so unpaid, plus interest thereon, and to pay or cause to be paid to the beneficiaries under his fire or lease insurance policy, may be applied by beneficiaries upon any indebtedness created hereby, and in such order beneficiaries may claim upon, or offset against the obligation to pay taxes, assessments and other charges, as may be deemed desirable by the beneficiaries, and the grantor shall not be liable for any deficiency. Such amounts of taxes, assessments and other charges shall not exceed the amount of any default or excess of default hereunder or otherwise, and are due payment to such taxes.

6. To keep and preserve the above described land and to pay all taxes, assessments and other charges which may be levied upon said property before any part of such taxes, assessments and other charges become past due or discontinued and promptly deliver receipts therefor to beneficiaries, and should the grantor fail to make payment of any taxes, assessments and other charges, he shall pay the same to the beneficiaries, and to his direct payee or his providing beneficiary, with funds with which to make such payment, beneficiaries may, at its option, make payment thereof, and the grantor may, at its option, pay such taxes, assessments and other charges together with the collection costs described in paragraph 6, and the 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 provisions of this trust deed, and the debt secured by this trust deed, together with the such past due taxes, assessments and other charges, the trust deed, 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 with full notice, and the grantor shall be liable at the option of the beneficiaries, to pay the same to the beneficiaries, and the grantor shall be liable to the beneficiaries for any amounts due and payable under this trust deed immediately due and payable, and constitute a breach of this trust deed.

7. To pay all taxes, fees and expenses of this trust, including the costs of recording, filing and registering the trust deed, and reasonable compensation for services rendered by trustee and attorney, fees actually incurred.

8. To appear in and defend any action or proceeding pertaining to affect the rights, title, rights of possession or benefits of trustee, and in any suit, action or proceeding in which the beneficiaries or trustee may sue, including any action in which the beneficiaries of this trust, or any part of the beneficiaries, are named as defendants, to pay all costs and expenses, including attorney's fees, incurred in such action or proceeding, and to pay the same to the beneficiaries, and to make payment of this provision, if in all cases shall be paid by the trial court and in the event of an appeal from any judgment adverse to the trial court, grantor further agrees to pay such costs as the appellate court shall judge reasonable as the beneficiaries' or trustee's attorney, fees and expenses.

9. It is mutually agreed that:

In the event that one person or all of such persons, shall be taken under the right of eminent domain, or any other power of the owners payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney fees necessarily paid by the grantor, the grantor shall be entitled to receive the same and to keep upon his books and records, and to pay such reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, reasonably paid or incurred by beneficiaries, and the grantor, and the grantor, as his own expense, to like such actions and events such instruments as shall be necessary in obtaining such compensation, paying upon behalf last a record.

10. As soon as upon the signing of this trust deed, or upon request of beneficiaries, and in the event of termination of this trust, and the note being discharged (in full or otherwise), the cancellation, without affecting the liability of any person for the payment of the indebtedness, trustee may

11. When trustee pays pursuant to the powers provided herein, trustee shall apply the proceeds of sale or the amount received on account of such sale, to the payment of all taxes, assessments and other charges, and to the payment of all reasonable costs, expenses and attorney fees, to the satisfaction of the beneficiaries, and to the payment of all reasonable costs, expenses and attorney fees subsequent to the interest of the trustee on the trust deed as their interests may appear in the order of their priority and in such manner, if any, to the best of his knowledge or interest involved in the same.

12. Beneficiary may from time to time appoint a successor to him under such appointment, and without consent of the grantor, trustee, the latter shall be vested with all title, power and duty of ownership over any trust herein created or appointed hereunder, each such appointment to be made by beneficiaries, and the grantor shall be bound to recognize such appointment, which, when recorded in the mortgage records of the county in which the property is situated, shall be conclusive proof of proper appointment of such successor.

13. Trustee accepts this trust when this deed duly executed and acknowledged and made a public record as provided by law. Trustee is obligated to notify any party herein of pending suit under any other document or of any action or proceeding in which grantor, beneficiaries or trustee or a party under such action or proceeding is brought before a court.

NOTE: The Trust Deed Act provides that the trustees 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 an insurance company authorized to do business under the laws of the state, its subdivisions, districts, agents or branches, the United States or any agency created under Laws 1973-1974, or the 82nd

EXHIBIT A

33224

20535

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) ~~NOTWITHSTANDING THE FOREGOING, THE BENEFICIARY IS NOT TO BE LIABLE FOR ANY DEFECTS IN TITLE OR ANY DEFECTS IN THIS TRUST DEED.~~
- (b) for an organization, or (even if grantor is a natural person) are, for business or commercial purposes.

This deed applies to, relates 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.

LEISURE LODGE, INC.

*[Handwritten signature]*

Attest:

By:

\* **IMPORTANT NOTICE:** Delete, by striking out, whichever warranty (a) or (b) is not applicable. If currently (a) is applicable and the beneficiary is a creditor of 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 Nevada-Miss Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer is a corporation, see the form of acknowledgement appended.)

STATE OF OREGON.

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STATE OF OREGON.

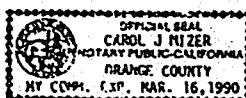
STATE OF CALIFORNIA )

) ss:

COUNTY OF ORANGE )

On this 23rd day of October, in the year 1986, before me, a Notary Public, personally appeared Carole J. Mizer, and James H. Durrence, and John C. Durrence, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as president and secretary or on behalf of the corporation therein named and acknowledged to me that the corporation executed it pursuant to authority of its By-laws or Board of Directors.

Witness my hand and official seal.



*Carole J. Mizer*  
Notary Public

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

### TRUST DEED

POUL NO. 951  
STATEMENT LAW FIRM, PC., PORTLAND, OREG.

RECEIVED IN THE OFFICE OF THE CLERK OF THE STATE OF OREGON

ON THE DAY OF MAR. 16, 1990

FOR RECORDING PURPOSES ONLY

RECORDED ON MAR. 16, 1990

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33225

EXHIBIT "A"

20536

Parcel 1:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 26, and 34, Block 1.  
Lots 4, 5, 6, and 7, Block 2.  
Lots 8, 11, 12, and 16, Block 3.  
Lots 1, 3, 4, 6, 7, and 8, Block 4.

All of Tract No. 1074, LEISURE WOODS, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2:

NKSEK and SEKSEK of Section 7, Township 24 South, Range 7 East of the Willamette Meridian.

Parcel 3:

The North 230 feet of the NEKSWK of Section 7, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Westerly right of way line of State Highway No. 58.

Also a portion of the NEKSWK of Section 7, Township 24 South Range 7 East of the Willamette Meridian, described as follows: Beginning at a 2 inch pipe with Brass cap marking the intersection of the North line of the NEKSWK of said Section 7 with the Easterly right of way line of Highway No. 58; thence N.  $89^{\circ} 49' 08''$  E. along said North line a distance of 70.0 feet; thence S.  $16^{\circ} 21' 06''$  E., parallel with the Easterly line of Highway No. 58, a distance of 104.2 feet; thence S.  $89^{\circ} 49' 08''$  W. a distance of 70.0 feet to the Easterly right of way line of said Highway No. 58; thence N.  $16^{\circ} 21' 06''$  W., along said right of way line a distance of 104.2 feet to the point of beginning.

Parcel 4:

That portion of the SEXNWK of Section 7, Township 24 South, Range 7 East of the Willamette Meridian, lying Southerly and Easterly of Leisure Woods.

Return to:

James Rozek, Attorney at Law  
1750 South Broadway, Suite F  
Santa Maria, California 93454

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ the \_\_\_\_\_ day  
of November A.D. 19 96 at 5:16 o'clock A.M., and duly recorded in Vol. M96  
of Mortgages on Page 20536

FEE \$17.00

Evelyn Riehn, County Clerk  
By *Evelyn Riehn*

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of William M. Ganong the 5th day  
of December A.D. 19 95 at 2:58 o'clock P.M., and duly recorded in Vol. M95  
of Mortgages on Page 33222

FEE \$25.00

Bernetha G. Letsch, County Clerk  
By *Bernetha G. Letsch*