

19882 **FOURTH TRUST DEED** **K-49001** **Vol. M96 Page 17793**
 THIS TRUST DEED, made this June 4 day of JUNE, 1996, between
Klamath County Title Co., as Grantor,
CUMIS Insurance Society, Inc., as Trustee, and
 _____, 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 and legally described in attached
 Exhibit "1" and commonly known as the Shield Crest Golf Course.

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 Fifty Thousand and No/100 (\$50,000.00) 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 August 1, 1998.

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 either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the prop-
 erty or all (or any part) of grantor's interest in it without first obtaining 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 be-
 come immediately due and payable. The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or
 assignment.

- 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 im-
 provement 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 pursuant to the Uniform Commercial Code as the beneficiary may require and
 to pay for filing same in the proper 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 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 \$_____
 written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the bene-
 ficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary
 at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the beneficiary may pro-
 cure 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,
 or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default here-
 under or invalidate 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 pay-
 ment, 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 hereinbefore 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,
 and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and pay-
 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 purporting to affect the security rights or powers of beneficiary or trustee;
 and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed,
 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 at-
 torney's fees on such appeal.
- It is mutually agreed that:
8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, bene-
 ficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking,

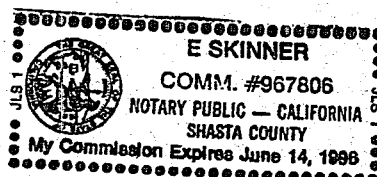
NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company
 or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real
 property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.
***WARNING:** 12 USC 1701j-3 regulates and may prohibit exercise of this option.
****The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.**

TRUST DEED		STATE OF OREGON,	
Grantor <u>Golf Resources, Inc.</u> Beneficiary <u>CUMIS Insurance Society, Inc.</u>		County of _____ I certify that the within instru- ment 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/instru- ment/microfilm/reception No. _____ Record of _____ of said County. Witness my hand and seal of County affixed. NAME _____ TITLE _____ By _____ Deputy	
After Recording Return to (Name, Address, Zip): <u>David B. Paradis</u> <u>Attorney at Law</u> <u>P.O. Box 128</u> <u>Medford, OR 97501</u>		SPACE RESERVED FOR RECORDER'S USE	

STATE OF CALIFORNIA

COUNTY OF Shasta

On 6/14/96 before me, E. SKINNER,
 personally appeared STEVEN H. ADAMS, personally
 known to me (or proved on the basis of satisfactory evidence) to be the per-
 son(s) whose name(s) is/are subscribed in the within instrument and
 acknowledged to me that he/she/they executed the same in his/her/their
 authorized capacity(ies), and that by his/her/their signature(s) on the
 instrument the person(s), or the entity upon behalf of which the person(s)
 acted, executed the instrument.



WITNESS my hand and official seal.

E. Skinner
 Notary public in and for said State.

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 Cowdery's Form No. 10G — ACKNOWLEDGMENT — General (Civil Code 1169(a)) (Revised 1/93)

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 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 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 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 thereof; (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 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 sue 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 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.

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 86.735 to 86.795.

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 86.753, 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 other than 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, and without conveyance to the successor trustee, the latter 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 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 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

SEE ADDENDUM A

and that the grantor 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:

(X) ~~for an organization, or (even if grantor is a natural person) are for business or commercial purposes.~~

(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 trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so 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.

SEE ADDENDUM A FOR ADDITIONAL TERMS

*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.

Golf Resources, Inc.

By:

Its:

STATE OF OREGON, County of) ss.

This instrument was acknowledged before me on , 19, by

This instrument was acknowledged before me on , 19, by

as

of

Notary Public for Oregon

My commission expires

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 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 statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyance and documents to

DATED: , 19

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

Beneficiary

ADDENDUM A

THIS ADDENDUM is made to that Fourth Trust Deed executed by Golf Resources, Inc. in favor of CUMIS Insurance Society, Inc. and the terms, agreements, and covenants contained herein are incorporated into said Fourth Trust Deed by reference.

1. This document constitutes a fixture filing that shall have an effective period until this deed of trust is reconveyed or satisfied of record or its effectiveness otherwise terminates as to the property in accordance with applicable law.

2. Grantor hereby grants to beneficiary a security interest in the property pursuant to the Uniform Commercial Code of the State of Oregon for the purpose of further securing the indebtedness secured hereby and all other amounts due hereunder. This deed of trust shall constitute a security agreement with respect to:

(i) Any portion of the property which may be deemed to form part of the real property secured by this deed of trust or may not constitute a fixture within the meaning of the Oregon Uniform Commercial Code and/or any other personal property used in connection with the operation of the golf course and/or pro shop including, but not limited to, inventory, equipment, and accounts receivable.

3. Grantor warrants that it holds good and marketable title to the property free and clear of liens and encumbrances except for the following:

(i) Deed of trust to South Valley State Bank in the amount of \$1,482,205.00;

(ii) Deed of trust to Shield Crest, Inc. in the amount of \$216,490.00; and

(iii) Deed of trust to _____ in the amount of \$37,668.49.

4. Grantor shall be in default of its obligations under this deed of trust and the promissory note if grantor is in default of any of its obligations under the above-described encumbrances and/or if any of the above-described creditors initiates a foreclosure and/or collection proceeding against Grantor in connection with the above-described encumbrances.

Golf Resources, Inc. JA
(initials)

ADDENDUM A

EXHIBIT "1"

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon:

PARCEL 1: Lot 10, EXCEPT the Northerly 258.38 feet thereof; The W. 30' of Lot 2, Block 4; Lot 8, Block 5 of Tract No. 1257, Re-subdivision of First Addition to Shield Crest, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2 of Major Partition 1-91 situate in the NE $\frac{1}{4}$ of Section 7, and the NW $\frac{1}{4}$ of Section 8 Township 39 South, Range 10 East of the Willamette Meridian.

PARCEL 2: A parcel of land located in the W $\frac{1}{2}$ of the E $\frac{1}{2}$ of Section 8, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Beginning at the one-quarter corner common to Sections 5 and 8, Township 39 South, Range 10 East of the Willamette Meridian; thence along the North line of said Section 8, North 89°45'14" East 953.75 feet to the Northwest corner of a parcel of land described in Volume M84 page 3240, Deed records of Klamath County, Oregon; thence, along the boundaries of said parcel South 00°13'00" East 185.00 feet; thence North 89°45'14" East 348.05 feet; thence South 00°13'00" East 372.07 feet; thence East 30.00 feet to a point on the East line of the NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 8; thence along said East line South 00°13'00" East 504.96 feet to the Northeast corner of a parcel of land described in Volume M87 page 15532, Deed records of Klamath County, Oregon; thence along the boundaries of said parcel, South 88°00'16" West 220.52 feet; thence North 85°19'47" West 286.02 feet; thence South 8°45'58" West 551.68 feet to the Southwest corner of said parcel; thence South 8°48'39" West 1935.93 feet to the Northeasterly corner of a parcel of land described in Volume 203 page 199, Deed records of Klamath County, Oregon; thence North 65°45'28" West 199.82 feet to the Northwesterly corner of said parcel and the Northeasterly corner of a parcel of land described in Volume M83 page 13511, Deed records of Klamath County, Oregon; thence along the Northerly boundary of said parcel North 80°36'19" West 274.21 feet to a point on the West line of the E $\frac{1}{2}$ of Section 8; thence along said East line North 00°03'03" East 3372.34 feet to the point of beginning.

TOGETHER with easement in Deed to Donald C. Griffith and Carol J. Griffith, recorded September 12, 1991, in M91 on page 18360, records of Klamath County, Oregon, more particularly described as follows:

A strip of land located in Parcel 1 of Major Partition 1-91 in the NE $\frac{1}{4}$ of Section 7 and the NW $\frac{1}{4}$ of Section 8, Township 39 South, Range 10 E.W.M. for the purpose of ingress, egress, and the construction and maintenance of utilities over, across and under said strip of land, more particularly described as follows:

Beginning at the northeasterly corner of Parcel 1 of Major Partition 1-91 from which the Section corner common to Sections 5, 6, 7 and 8, bears N. 13°45'05" W. 30.89 feet; thence along the easterly boundary of said Parcel 1, S. 26°21'17" E. 310.74 feet; thence N. 88°49'47" W. 33.83 feet; thence N. 26°21'17" W. 252.10 feet; thence N. 77°15'19" W. 97.06 feet; thence S. 89°45'36" W. 155.00 feet to the westerly boundary of said Parcel 1, thence N. 2°07'07" E. 30.04 feet to the Northwest corner of said Parcel 1, thence N. 89°45'36" E. 256.35 feet to the point of beginning.

TOGETHER with an undivided interest in that private road shown on the plat as Shield Crest Drive and more particularly described in Declaration recorded in M84 on page 4256, from a beginning point on Highway 140 to the terminus of said right at a point which is the south line of Lot 9, Block 4 Tract 1257, Re-subdivision of First Addition to Shield Crest.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 14th day
of June A.D., 19 96 at 11:14 o'clock A M., and duly recorded in Vol. M96
of Mortgages on Page 17793

FEE \$35.00

Bernetha G. Leach, County Clerk

By Spelle Heidatz