

THIS TRUST DEED, made the 12th day of February, 1997, between

as Grantor,

NANCY J. HASKING,

as Beneficiary,

WILLIAM G. CARTER,

RECORDING PAGE

as Trustees, and

WITNESSETH:

Grantor, irrevocably grants, sells and conveys to trustees in trust, with power of sale, the property in Klamath County, Oregon, described as:

A portion of the SE1/4 NW1/4 of Section 30, Township 38 South, Range 11 E.W.M., more particularly described as follows:

Beginning at a point which is the center of said Section 30; thence North on Haskins Road 284 feet; thence West 161 feet to the true point of beginning; thence West 246 feet to a point; thence North 266 feet to a point; thence East 246 feet to a point; thence South 266 feet, more or less, to the true point of beginning, containing 1.5 acres, more or less.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereto 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 --FOURTEEN THOUSAND EIGHT HUNDRED EIGHT AND 01/100THS (\$14,808.01)--

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 the trustee and payable upon demand.

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, 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, nor to commit or permit any waste of said property.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be discontinued, 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 said property; if the beneficiary so requires, to join in executing such documents and instruments as the Uniform Commercial Code or the beneficiary may require to cause to be filed same in the proper public office or places of record, and to furnish him such information and reports concerning the property as may be reasonably required by the beneficiary.

4. To promptly and completely pay, maintain, insurance on the buildings now or hereafter owned by the grantor, against loss or damage by fire and such other hazards as the beneficiary deems fit, from time to time required, in an amount not less than \$100,000.00, and to keep the same written in policies of insurance shall be delivered to the beneficiary as soon as issued; if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter issued on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any life or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and paid, in whole or in part, 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, because of insufficiency only act done 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 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 payment, beneficiary may, at its option, make payment thereof directly, together with interest at the rate set forth in the note hereinabove recited, to and become in part of the debt secured by this trust deed, without waiver of any rights arising from a breach of any of the covenants, hereof, and, for such payments with interest as aforesaid, (the entire indebtedness described) as well as the grantor, shall be bound to the 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 obligations 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 and examination, and of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To appear, 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 enforcement of this trust, to pay all costs and expenses, including evidence of attorney's fees, and, 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.

It is mutually agreed that:

8. In the event that any portion or 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 that all or any portion of the money payable as compensation therefor be used, 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 his 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 title fees and presentation of this deed, and the rate for endorsement (in case of full transcription for notarization), without afflicting the liability of any person for the payment of the indebtedness, grantor may (a) consent to the making of any map or plat of said property; (b) join in

any covenant or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the land or charge grants; (d) reconvey, without warranty, all or any part of the property. The property, as may reconveyed may be described as the "owner or persons herein entitled thereto," and the recitals therein of any matter or facts shall be conclusive proof of the truthfulness thereof. Trustee's fee 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, without regard to the adequacy of any security for the indebtedness hereby created, enter upon and take possession of said property or any part thereof, in its own name and/or otherwise collect the rents, leases 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 said property, the collection of such rents, leases 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 the performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all amounts secured hereby immediately due and payable. In such an event, the beneficiary at his election may proceed to foreclose this trust deed by advertisement and sale or may 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 his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby; whereupon the trustee shall file the same and, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.755.

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 this trust deed, the default may be cured by paying the entire amount due at the time of the sale 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 said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels auctio[n] to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser his deed in form as required by law conveying the property, as sold, but without any covenant or warranty, express or implied. The proceeds in the deed of any matters of fact shall be construed panel of the trial court, trustee. Any person, including the trustee, but including the grantor and beneficiary, may purchase of the sale.

15. When trustee acts pursuant to the powers provided herein, trustee shall apply the proceeds of sale in 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 subrogated 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 his successor in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successor to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and nomination shall be made by written instrument executed by beneficiary, which when recorded in the marriage 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 herein of publishing sale under any other deed or form 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.

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, or a title insurance company authorized to insure title to real property, or title holder, its corporation, affiliate, agent, or branch; the United States, or any agency thereof, or an entity created pursuant to ORS 45A.505 to 45A.540.

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) primarily for grantor's personal, family or household purposes (see Important Notice below);

(b) for an organization, or for an entity controlled by grantor, for educational, charitable purposes.

This deed applies to trustees 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 wherever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

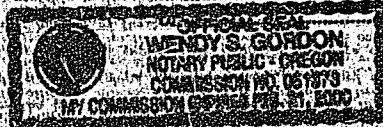
IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

Nancy J. Haskins
Nancy J. Haskins

IMPORTANT NOTICE: Notice, by statute, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, and the beneficiary is a creditor as such term 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 Statement Form No. 1319, or equivalent. If compliant with the Act is not required, disregard this notice.

STATE OF OREGON, County of Klamath ss.
This instrument was acknowledged before me on March 7, 1997,
by Nancy J. Haskins.

This instrument was acknowledged before me on
by
as



Wendy S. Gordon
Notary Public for Oregon
My commission expires 2-21-2000

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

DATED: March 7, 1997

Beneficiary

Do not lose or destroy this Trust Deed or the Note which it covers, but must be delivered to the trustee for cancellation before reconveyance will be made.

WILLIAM G. CARTER, 100 West 8th Street, Medford, OR 97501
RECEIVED: DEPARTMENT OF RECORDS, MARCH 10, 1997, BY THE CLERK OF MUSCOGEE COUNTY, OKLAHOMA

TRUST DEED

(Form No. 881)
STEVENS, NESS, LAW, PUS. CO., PORTLAND, ORE.

V. Notary Public
NANCY J. HASKINS
Grantor

WILLIAM G. CARTER
Beneficiary

AFTER RECORDING RETURN TO

William G. Carter
900 West 8th Street
Medford, OR 97501

RECEIVED
FOR
RECORDEE'S USE

Fee: \$15.00

STATE OF OREGON, ss.
County of Klamath

I certify that the within instrument was received for record on the 13th day of March, 1997, at 1:27 o'clock P.M., and recorded in book/vol./volume No. 191 on page 7941 or as file/no./instrument/microfilm/reception No. 31527. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Bernetha G. Letsch, Co. Clerk
By *Ruthie Rose* Deputy