

ALL-INCLUSIVE
TRUST DEED

Vol. 1777 Page 17009
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/fool/volume No. _____ on page _____ and/or as fee/file/instrument/microfilm/reception No. _____ of said County. Witness my hand and seal of County affixed.

NAME TITLE
By _____ Deputy

DONALD MC MURCHE AND XIAOYAN SU

WILLIAM L. VEST AND CAROL JEAN VEST

ASPIN TITLE & ESCROW, INC.
525 MAIN STREET
KLAMATH FALLS, OR 97601

THIS TRUST DEED, made this 30th day of April, 1997, between DONALD MC MURCHE AND XIAOYAN SU, husband and wife,

ASPIN TITLE & ESCROW, INC., as Trustee, and WILLIAM L. VEST AND CAROL JEAN VEST or the survivor, 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: The Northernly 70 feet of Lot 4, Block 23 of the ORIGINAL TOWN OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon. CODE 1.1 MAP 3309-32CA TL 100

SEE ALL-INCLUSIVE CLAUSE MARKED EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF AS TOUGH FULLY SET FORTH HEREIN.....

Being re-recorded to correct name and add Notary. 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 the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of EIGHTY TWO THOUSAND THREE HUNDRED FIFTY AND NO/100

(\$82,350.00) 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 per terms of Note.

The date of maturity of the debt secured by the 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 property 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 become 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 improvement 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 improvements 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 the filing fees 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 insurable value 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 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 procure 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 hereunder, or the allegations are not deemed curative 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 payments, 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 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 trustee incurred in connection with or in enforcing this obligation and the trustee's 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 or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees; the amount of attorney 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 at the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney 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, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking.

NOTICE: The Real Estate 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 in this State, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 56A.525 to conduct.

*WARNING: 12 USC 1704-3 requires 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.

which are the duties of the grantor and trustee to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor, trustee or beneficiary in the prosecution or defense of any action or suit brought by or for the grantor, trustee or beneficiary, and the balance of the proceeds of the sale of the property, after payment of the costs, expenses and attorney's fees, shall be paid to the beneficiary, and the balance of the proceeds of the sale of the property, after payment of the costs, expenses and attorney's fees, shall be paid to the beneficiary, and the balance of the proceeds of the sale of the property, after payment of the costs, expenses and attorney's fees, shall be paid to the beneficiary.

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 and 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 86.743.

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, except as may be set forth in an addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

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 Notices 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, legacies, 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 hereto.

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.

*IMPORTANT NOTICE: Dates, by lining out, whichever warranty (a) or (b) is not applicable. It warrants (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 disclosures form REG 1219 or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Lane

This instrument was acknowledged before me on May 3, 1997, by DONALD MC MURCHIE

This instrument was acknowledged before me on May 3, 1997, by XIAOYAN SU

Notary Public for Oregon My commission expires 11/26/00

RELIEF FOR FULL RECONVEYANCE (to be used only when obligations have been paid.)

TO: 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. This hereby directs, on payment to you of any sums owing to you under the terms of the trust deed or payment to satisfy 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. Full reconveyance and documents to

DATED: 1997

Do not lose or destroy this Trust Deed Q1 115 31 72 which it secures. Both must be submitted to the Trustee for cancellation before reconveyance will be made.

Notary Public

14-081

17011

STATE OF OREGON,

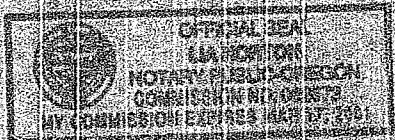
County of Washington } ss.

FORM NO. 23 -- ACKNOWLEDGEMENT
STEVENS-REAR LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 17th day of May, 1937,
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named XIAOYAN SU

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that she executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.



Lisa Horton
Notary Public for Oregon.
My Commission expires 3-17-38

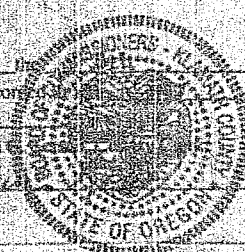
EXHIBIT "A" TO TRUST DEED

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS JUNIOR AND SUBORDINATE TO A TRUST DEED RECORDED IN BOOK M-95 AT PAGE 6175 IN FAVOR OF ROBERT W. ADAMS AS BENEFICIARY/MORTGAGEE, WHICH SECURES THE PAYMENT OF A NOTE THEREIN MENTIONED. WILLIAM L. VEST AND CAROL JEAN VEST, THE BENEFICIARY(IES) HEREIN, AGREE TO PAY, WHEN DUE, ALL PAYMENTS DUE UPON THE SAID NOTE IN FAVOR OF ROBERT W. ADAMS AND WILL SAVE GRANTOR(S) HEREIN, DONALD MC MUNCHIE AND XIAOYAN SU, HARMLESS THEREFROM. SHOULD THE SAID BENEFICIARY(IES) HEREIN DEFAULT IN MAKING THE PAYMENTS DUE UPON SAID PRIOR NOTE AND TRUST DEED, GRANTOR(S) HEREIN MAY MAKE SAID DELINQUENT PAYMENTS AND ANY SUMS SO PAID BY GRANTOR(S) HEREIN SHALL THEN BE CREDITED UPON THE SUMS NEXT TO BECOME DUE UPON THE NOTE WHICH IS SECURED BY THIS ALL-INCLUSIVE TRUST DEED.

WLV (INITIALS OF BENEFICIARY(IES))
DMS (INITIALS OF GRANTOR(S))

STATE OF OREGON - COUNTY OF KLAMATH:

Filed for record at request of Aspen Title & Escrow the 11th day
 of May A.D. 19 97 at 11:52 o'clock P.M. and duly recorded in Vol. 14079
 of Mortgages on Page 14079
 FEE \$20.00 INDEXED
 by Bernadine G. Lelsch



STATE OF OREGON - COUNTY OF KLAMATH:

Filed for record at request of Aspen Title & Escrow the 4th day
 of June A.D. 19 97 at 10:36 o'clock A.M. and duly recorded in Vol. M97
 of Mortgages on Page 17009
 FEE \$20.00 Re-record By Bernadine G. Lelsch, County Clerk
Karlton Bar