

WITNESSETH:

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of \$55,710.00, Fifty Five Thousand Seven Hundred Ten And No/100's 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 15 years from recordation date.

To protect the security of this trust deed, grantor agrees:

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed therein, and pay when due all costs incurred therefore.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in an amount not less than \$500,000, written in companies acceptable to the beneficiary, 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 secure 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 placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy shall 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 under or invalidate any act done pursuant to such notice.

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.

It is mutually agreed that:

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 reconveyance, 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 said property; (b) join in granting any easement or creating any restrictions 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.

11. The entering upon and taking possession of said 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.

THE UNIVERSITY OF CHICAGO PRESS

H. John Trum
Janet L. Trum
P. O. Box 420
Jacksonville, OR 97530
Grantor
Running Y Resort, Inc.
5391 Running Y Road
Klamath Falls, OR 97603
Beneficiary

Beneficiary

AFTER RECORDING RETURN TO

XXXXXXXXXX BENEFICIARY
XXXXXXXXXX
XXXXXXXXXX XXXXXXXX

SPACE RESERVED
FOR
RECORDERS USE

County of Klamath

I certify that the within instrument was received for record on the..... day of....., 19...., ato'clock.....M., and recorded in book/reel/volume No..... on page..... or as fee/file/instrument/microfilm/reception No..... Record of Mortgages of said county.

Witness my hand and seal of
County affixed.

Name	Title
------	-------

By Deputy

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event 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 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 ORS86.735 to 86.765.

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 ORS86.753, 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 said sale may be postponed as provided by law. The trustee may sell 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 his 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 beneficiary's successor in interest that the grantee is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto subject to covenants, conditions, restrictions and easements of record 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,
- (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.

You have the option to cancel your contract or agreement of sale by notice to the Seller until midnight of the seventh day following the signing of the contract or agreement. If you did not receive a Property Report prepared pursuant to the rules and regulations of the Office of Interstate Land Sales Registration, U.S. Department of Housing and Urban Development, in advance of your signing the contract or agreement, the contract or agreement of sale may be canceled at your option for two years from the date of signing.

IN WITNESS WHEREOF, said grantor has hereunto set his hand 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 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.

INDIVIDUAL ACKNOWLEDGEMENT

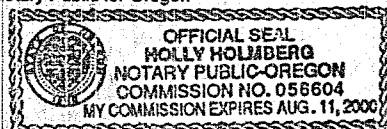
STATE OF OREGON, ss.
County of Klamath.....)

This instrument was acknowledged before me on
June 20TH, 1997, by H. John Trum & Janet L. Trum

H. John Trum

Janet L. Trum

Notary Public for Oregon



CORPORATE ACKNOWLEDGEMENT

This instrument was acknowledged before me on June 20TH, 1997, by _____ as _____ of _____

Notary Public for Oregon

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 27th day
of June A.D., 19 97 at 11:07 o'clock A. M., and duly recorded in Vol. M97
of Mortgages on Page 20068

FEE \$15.00

By

Bernetha G. Leisch, County Clerk

Bernetha G. Leisch