

TRUST DEED

Bank Albertson and Barbara Albertson
52-50 Box 4760
Lebanon, OR 97350
R. A. Johnson, Bernie Van Pelt, and
Joel Bell, Trustees
3402 North 36th Street, Phoenix, AZ 85018
Steven M. Goldstein, Esq.
Tacke Tierney P.A.
2929 North Central Avenue, #1400
Phoenix, Arizona 85012-2742

RECEIVED
FOR
RECORDED

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/reel/volume No. _____ on page _____ and file as doc/lis/abstract/microfilm/receipt No. _____, Record of _____ Will County.

Witness my hand and seal of County affixed.

By _____, Deputy

MTCH42142-KP

THIS TRUST DEED, made this _____ day of _____ August, 19____, between
Bank Albertson and Barbara Albertson, Husband and wife

American Title
R.A. Johnson, Bernie Van Pelt, and Joel Bell, Trustees of the I.B.E.W. Local 769
Management Pension Fund

WITNESSED,

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

See Exhibit A attached hereto

together with all and singular the fixtures, appurtenances and easements 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 One Hundred Fifty Thousand and No/100 Dollars (\$150,000.00)

rate of four and one-half percent to beneficiary or other and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable July 31, 19____.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the rate of interest and principal shall be due and payable. Should the grantor either agree to, or consent to, or cause or cause any part of (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 date expressed therein, or hereinafter, shall become immediately due and payable. The execution by grantor of an oral money agreement¹ does not constitute a due, enforcement 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 and not to damage or permit any waste of the property.
2. To construct or restore property 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 thereon.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in presenting such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing costs in the proper public office or officer, as well as the cost of all documents made by filing officer or searching agent as may be directed specifically 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 each other hazard as the beneficiary may from time to time require, in an amount not less than \$_____, subject to a premium appropriate to the beneficiary, with loss payable to the beneficiary; all 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 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 of grantor's own; the insurance collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness incurred thereunder and in such order as beneficiary may determine, or if notice of beneficiary's intent to collect, or any part thereof, may be returned to grantor. Such application or release shall not give or waive any defense or notice of default hereunder or invalidate any claim presented to such action.

5. To keep the property free from construction debris and to pay all taxes, assessments and other charges that may be levied or accrued 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, taxes or other charges payable by grantor, either by direct payment or by presenting beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment therefor and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations contained in paragraphs 4 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 right arising from breach of any of the covenants hereof and for such payment, with interest as aforesaid, the property hereinabove 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 amounts shall be immediately due and payable without notice, and the beneficiary thereof shall, at the option of the beneficiary, render an account of sums secured by this trust deed immediately due and payable and execute a bond of this trust deed.
6. To pay all taxes, 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 the covenants and trusts and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding pertaining to either 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 of the appellate court shall adjudge reasonable to the beneficiary's or trustee's attorney fees on each appeal.

If 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 any execution beneficiary shall have the right, if it so elects, to require that all or any portion of the amount payable as compensation be paid to it.

NOTE: The Bank Albertson and Barbara Albertson trust is to be held in escrow, who is an active member of the Oregon State Bar, a trust, trust company, or savings and loan corporation authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to issue title to real property in the state of Washington, Oregon, Idaho or Nevada, the United States or any agency thereof, or an attorney licensed under ORS 500.010 to practice "WALDRIDGE & CO." and their respective and any affiliate members of the firm.

¹The parties agree that such an agreement affects the basis of calculating beneficiary's claimed in excess of deed.

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 recoverable 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 accrued hereby; and grantor agrees, at its own expense, to file 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 fee and presentation of this deed and the indenture, trustee may (a) consent to the making of any lease or sale of the property; (b) fail to grant any assessment or encroachment, without warranty, all or any part of the property. The grants in any reconveyance may be described as "the person or persons free for any of the services mentioned in this paragraph shall be one 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 existence of any security for the indebtedness hereby accrued, enter upon and take possession of the property or any part thereof, in its own name or in otherwise contest 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 accrued 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 awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default herein or inherein, any act done pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness accrued hereby or in grantor's performance of any agreement herein, being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums accrued hereby immediately due and payable. In such an event the beneficiary may elect 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 accrued hereby whereupon the trustee shall in 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 81.759 to 81.761.

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 81.759, may cure the defaults or deficiencies. If the default date of a failure to pay, when due, sums accrued 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 by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person electing 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 two or more separate parcels and shall sell in form as required by law conveyed the property as sold, but without any covenant or warranty, express or implied. The recipient in this deed of any statement of fact shall be conclusive proof of the truthfulness thereof. Any person, excepting 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 entire trust deed, (2) to all persons having recorded liens subsequent to the issuance of the trustee in the trust deed as their interests may appear in the order of their priority and (3) 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 acts 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 warrants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully 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 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 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) for personal, family or household purposes; and

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

This deed applies to, but is not limited to, the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, assigns, 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 it is understood as required, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, allowed and implied to make the provisions herein apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.

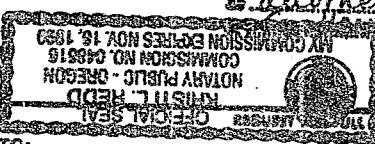
***IMPORTANT NOTICE:** Delete, by filing out, whichever whereby (a) or (b) is in effect. Notary Publics in Oregon are not authorized to witness (a) if it is applicable and the beneficiary is a trustee as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Standard Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Oregon, ss.

This instrument was acknowledged before me on 8/1/97 by ELMER BONMAN.

by Attorney in fact Barbara Albertson

My Notary Public License No. 1116/97 is affixed.



TO: Elmer Bonman, Trustee
The undersigned is the legal owner and holder of all indebtedness accrued by the foregoing trust deed. All sums accrued by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sum owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness issued by the trust deed (which are delivered to you herewith together with the trust deed) and to receive, without warranty, the property designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyance and documents to:

DATED: 8/1/97
Do not lose or destroy this Trust Deed OR THE NOTE which it encloses.
Both must be delivered to the trustee for cancellation before reconveyance will be made.

Beneficiary

25172

22670

EXHIBIT "A-1"
LEGAL DESCRIPTION

PARCEL 1:

All that portion of the S1/2 SW1/4 of Section 14, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying North and East of the Great Northern Railway Company right of way as existing upon the land, SAVE AND EXCEPTING THEREFROM all right of way for irrigation and drainage ditches and canals.

PARCEL 2:

The NE1/4 NW1/4 of Section 23, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, lying North and East of the Great Northern Railway Company right of way as existing upon the land, SAVE AND EXCEPTING THEREFROM all right of way for irrigation and drainage ditches and canals.

STATE OF OREGON: COUNTY OF KLAMATH: 23.

Filed for record in respect of Amesdale of July A.D. 1985 at 2151 Owner J.A.M. Amesdale Deed recorded in Vol. 556 of Deeds on Page 395 By Bernadette G. Lettsch, County Clerk

FEE \$30.00

INDEXED

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✓ 1

Parcel 1

Lot 55 of Walters Second Addition to the Town of Lakeview,
according to the Official Plot thereof.

Parcel 2

Township 40 South, Range 19 East of the Willamette Meridian,
Section 4: The SE $\frac{1}{4}$ of the SW $\frac{1}{4}$

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 4th day
of August A.D. 1997 at 9:45 o'clock A. M., and duly recorded in Vol. M97,
of Mortgages on Page 25170.

FEE \$25.00 By Bernetha G. Letsch, County Clerk
Kathleen Ross