1 455 LP-LN Vol M92 Page 28988

TRUST DELID

THIS TRUST DEED, made this 27th day of July, 1998 butween Ronald R. Lyali & Tria P. Lyali

Tanants by Entirety , as Grantor, AmeriTitle, as Trustee, and Running V Report. Inc., an Oregon Corporation, as Bonoficiary,

WITNESSETH:

Grentor irrevocably grants, bargains, sells and conveys b. Trustee in trust, with power of sale, the property in (flamath County, Oregon, described as: Let 488 of Running Y Resort, Phase Phase 5 Plat, recorded l' Klamath County Oregon. Together with all and singular the tenements, here diaments and appurtenances and all diher rights themsunto belonging or in anywise now or hereafter appendining, and the rents, issues and profits thereof and all fixtures now or here after 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 \$110,610.00, Cine Hundred Ten Thousand Six Hundred Ten And No/100's Pollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to baneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable

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. 15 years from recordation date 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 bene lolary, then, at the beneficiary's option, all obligations secured by this instrument, inespective of the maturity dates expressed therein or herein, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposas.

To protect the security of this trust deed, grantor agree s: To protect, preserve and maintain said properly in good condition and repair; not to remove or demolish any building or improvement themson; not

2. To complete or restore promptly and in good and work manike manner any building or improvement which may be constructed, damaged or to commit or permit any waste of said property.

destroyed thereon, and pay when due all costs incurred therefore.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said 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 filling same in the proper public office or offices, as well as the cost of all lien searches made by filling officer by searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hemafter erected on the said premises against loss or damage by fire and

such other hazards as the beneficiary rnay from time to time require, in an amount not less than \$ _0_ written in companies acceptable to the beneficiary, with loss payable to the latter; nill policies of insurance shall be delivered to the leneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the ipeneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may produre 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 he eby 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 invalidate any act done pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other diarges 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 against sale property before any part or such taxes, assessments and other charges become past due or analytic and promptly deriver receipts it element to beneficiary; should the grantor fall to make payment of any times, 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, and the amounts opeid, 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 cleed immediately due and payable and constitute a breach

6. To pay all costs, fees and expenses of it is 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 feet actually incurred.

7. To appear in and defend any action or proceeding purporing 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 attorney's rees on such appeal.

8. In the event that any portion or all of said properly 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 mories payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily field or incurred by grantor in such processings, shall be paid to beneficiary and applied by as reasonable costs, expenses and attorney siees recessany paid or morned by granter in stiding proteinings, shall be paid to sending and applied by it first upon any reasonable costs and expenses and attorney's fires, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness excured hereby; and granter agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such core pensation, promptly upon beneficiary's request.

9. At any time and from time upon written request cobeneficiary, 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 included constant to the conveyance of the cancellation. 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; (b) 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 this recitals thereof, freedom 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.

numess thereof. Trustees need for any or the services in knowned in this principle, shall be not lost than you agent or by a receiver to be appointed by 10. Upon any default by grantor hereunder, beneficiary not y 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 said property or any part thereof, in its own name sue or otherwise collective rents; issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable a formey's fees upon any indebtedness secured hereby, and in such order as beneficiary may

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 determine policies or compensation or awards for any taking or damage of the property, and the application or rule ase thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any attitione pursuant to such notice.

TRUST DEED Ronald R. Lyall Tria P. Lyall 808 N.E. 138th Ave Vancover, MA 98684 Grantor Running Y Resort, Inc. 5391 Rurning Y Road Klamath Falls, CR 97601 Beneficiany AFTER RECORDING RETURN TO Running Y Resort, Inc. 5391 Running Y Road Klamith Falls, OR 97601

SPACE RESERVED FOR RECORDER B USE

STATE OF OREGON County of Klamath

I certify that the within instrument was received for record ... day of..... on the. o'clesk...M., and recorded in book/real/volume No.... on lagg.... or an fee file/instrument/microfile/ reception No..... Record of Mortgages of said county.

Witness my land and seat of County affixed.

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- 12. Upon default by giantor in payment of any indicate disease secured hereby or in his performance of any agreement hereunder, the beneficiary may deciate all sums section hereby immediately due and payable. In such an event the benefic any at his election may proceed to foreclose this trust deed in equity as a mortgage of 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 eluction to self 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 86.795.
- 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 date, the grantor or any other person so privileged by 0 586.753, may dure 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 call able of being curied 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 altorney's falls 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 he 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. To ustee 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 intilled. 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 it a 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 (I) 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 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 montgage 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 it a 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 varrant 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,

reconveyance will be made.

(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, legatures, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficially shall mean the holder and owner, including pledges, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this trust (leed, it is understood that the grantor, trustee and/or ber eficiary may each be more than one person; that if the contexts o 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 contractor agreement of sale by notice to the Solier 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 WHIERECF, said granter has here unto set his 'IMPOR'TANT NOTICE: Delete by lining out, which ever with ranty (e.e., to be set his or (b) is not applicable; if viarranty (a) is applicable and beneficiar is a creditor as such word is defined in the Truth-In-LancingAct an Regulation Z, the beneficiary MUST comply with the Act an Regulation by making required disclosures; for this purpose us Stevens-Ness Form No. 1839, or equivalent. If compliance with the Act is not required, disregard this notice. INDIVIDUAL ACKNOWLEDISEMENT STATE OF OREGON)ss. County of Klamath	Ronald B. Lyell Tris P. Lyall First State of the Control of the
July 27th, 1998, by Ronald Ft Lya I & Tria P. Lyall	Notary Residential Parameters (No. 308526 M.C. COMMISSION EXPIRES JAN. 19, 2002)
	द्वरायस्य स्टब्स्य स
エ:ゴなつ: baten CKNOWLEDGEN ENT	
This instrument was adinowledged before me on July 27	in, 1998, by Mcchielle Masikale as
	Notary Public for Onegon
STATE OF OREGON: COUNTY OF KLAMATH: \$1.	the 7th day
of August A.D., 19 98 at 11:19	the /th day o'c ock A.M., and duly recorded in Vol. M98
of Mortgan as	on Page 28988
TEE \$15.00	Bernetha G. Letsch, County Clerk By 1/2/1/2/2/22
Do not lose or destroy this Trust Deed OR THE NOTE which it see	ures. Noth must be delivered to the trustee for cancellation before