

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 with its 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 its fees and presentation of this deed and the notes for endorsement (in case of full reconveyances, 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 the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) 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.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver 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 sue 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 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 86.755.

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 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 Notice 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, 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.

IN WITNESS WHEREOF, the grantor has executed this instrument 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 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 Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on October 1, 1998,
by RAYMOND EARL PARKER
This instrument was acknowledged before me on _____, 19____.



Kristin J. Redd
Notary Public for Oregon My commission expires 11/10/99

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 the 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 the trust deed or pursuant to statute, 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. Mail reconveyance and documents to _____
DATED: _____, 19____
Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.
Beneficiary

EXHIBIT "A"

The S 1/2 SE 1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon. EXCEPT the following parcels thereof, to wit:

PARCEL 1:

That portion of said property conveyed by Frank D. Miles, a single man to P. J. Elliott, by Deed dated December 21, 1937, recorded December 22, 1937 in Book 113 at Page 443, Deed Records of Klamath County, Oregon, described as follows, to-wit: Beginning at a point on the East boundary of said Section 26 from which the Southeast corner of said Section 26 bears South 1193.0 feet distant and running; thence South 89 degrees 49' West 100 feet; thence North 50.0 feet; thence South 89 degrees 49' West 2559.0 feet to the West boundary of the SE 1/4 of said Section 26; thence North 60.0 feet; thence North 89 degrees 49' East 2479.0 feet; thence South 64 degrees 50' East 88.5 feet; thence South 72.0 feet to the point of beginning.

PARCEL 2:

EXCEPTING ALSO that portion of said property described as Parcel Four (Unit No. 11) in the United States of America, Plaintiff vs Charles E. Drew, et al., defendants, Civil No. 4253. In the District Court of the United States for the District of Oregon in Judgment of Declaration of Taking and Order Granting Possession, recorded March 11, 1949 in Book 229 at Page 308, Deed Records of Klamath County, Oregon, and also described in United States of America, Plaintiff vs Jack C. Hayes, et al., Defendants, Civil No. 4726. In the District Court of the United States for the District of Oregon in Order Fixing Value, Final Judgment in Condemnation and Order Disbursing Funds, recorded March 9, 1951 in Book 246 at Page 73, Deed Records of Klamath County, Oregon, and described as follows: to-wit: Beginning at a point in the Easterly boundary of the SE 1/4 of said Section 26, distant there along North 126.7 feet from the Southeast corner of said Section 26, said point being also distant North 165 feet from the center line of Lost River Diversion Channel Enlargement running thence from said point of beginning, South 89 degrees 58' West 2658.0 feet to a point in the Westerly boundary of the SE 1/4 of said Section 26, distant there along North 128.2 feet from the South quarter corner of said Section 26, said point being also North 165 feet from said center line of Lost River Diversion Channel Enlargement; EXCEPTING THEREFROM all that portion thereof lying within the present boundaries of the right of way for Lost River Diversion Channel owned by the United States of America.

Continued on next page

EXHIBIT "A" CONTINUED

PARCEL 3:

EXCEPTING ALSO that portion of said property conveyed to City of Klamath Falls, a municipal corporation of the State of Oregon by Deed dated February 15, 1955, recorded February 16, 1955 in Book 272 at Page 328, Deed Records of Klamath County, Oregon, described as follows:

Beginning at the Northwest corner of the SW 1/4 SE 1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, said corner being on the center line of the U.S.B.R. drainage canal; thence South 89 degrees 57' 15" East along the centerline of said canal, a distance of 1026.63 feet to a point; thence South 68 degrees 29' 45" West a distance of 1107.04 feet to an iron pin; said pin being on the Westerly one-quarter section line of the SE 1/4 of said Section 26; thence North 0 degrees 27' 45" East along said one-quarter section line a distance of 406.77 feet to the point of beginning.

PARCEL 4:

EXCEPTING ALSO that portion of said property conveyed to City of Klamath Falls, a municipal corporation of the State of Oregon by Deed dated September 16, 1955, recorded September 21, 1955 in Book 277 at Page 468, Deed Records of Klamath County, Oregon, described as follows: to-wit: Beginning at an iron pin on the West line of the SW 1/4 of the SE 1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian, said pin being South 0 degrees 27' 45" West a distance of 408.54 feet from the Northwest corner of said SW 1/4 SE 1/4 of Section 26, Township 39 South, Range 9 East of the Willamette Meridian; thence North 68 degrees 29' 45" East a distance of 1107.04 feet, to a point on the North line of the said SW 1/4 SE 1/4, said point being also the center line of the U.S.R.S. drainage ditch; thence South 89 degrees 57' 15" East along said North line of the SW 1/4 SE 1/4 a distance of 53.50 feet to a point; thence South 21 degrees 30' 15" East a distance of 1312.11 feet to an iron pin; said pin being on the Northerly right of way line of the Lost River Diversion Canal and being within the SE 1/4 of the SE 1/4 of said Section 26; thence North 89 degrees 49' 09" West along said Northerly right of way line a distance of 1571.10 feet to an iron pipe, said pipe being on the West line of said SW 1/4 SE 1/4 of Section 26; thence North 0 degrees 27' 25" East along said West line a distance of 809.83 feet to the point of beginning.

CODE 170 MAP 3909-2600 TL 1600

STATE OF OREGON; COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 6th day of October A.D., 19 98 at 10:57 o'clock A. M., and duly recorded in Vol. M98 of Mortgages on Page 36689

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross