

TRUST DEED

DATE MADE: MARCH 2001

Grantor
TRUSTEES OF THE JENSEN LIVING TRUST
P.O. BOX 931
ELMATH FALLS OR 97601
Beneficiary

After recording return to:
AMERICAN TITLE
222 S. 6TH STREET
ELMATH FALLS OR 97601

MTC 47134-LW
ESCROW NO. ET47134-LW

THIS TRUST DEED, made
TUNE MARCH 2001, as Grantor,
AMERICAN TITLE
REK DANIEL JENSEN AND VERN
as Beneficiary,

Grantor irrevocably sells, bargains, sells and conveys to trustee in trust, with power of sale, the property set forth below, described as:
SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

TRUST DEED

12 JANUARY 18, 1998, between

REK DANIEL JENSEN, TRUSTEE OF THE JENSEN LIVING TRUST.,

WITH RESPECT:

ants, bargains, sells and conveys to trustee in trust, with power of sale, the property set forth below, described as:
SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE.

together with all and singular the premises now or hereafter appertaining, and the rents with the property; hereditaments and appurtenances and all other rights thereto belonging or in anywise issues and profits thereof and all fixtures now or hereafter attached to or used in connection

NOR THE PURPOSE OF SECURING TWENTY FOUR THOUSAND DOLLARS, with interest thereon, according to the terms of a promissory note, payable to beneficiary or order and made payable by grantor, the principal and interest herein.

The date of maturity of the debt secured becomes due and payable. In the event the same is not paid, or if sooner paid, to be due and payable January 19, 2001. This instrument is the date, stated above, on which the final installment of said note will be paid, or any part thereof, or any interest therein is sold, agreed to be paid by grantor without first having obtained the written consent or approval of the beneficiary, unless secured by this instrument, irrespective of the maturity dates expressed therein or

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

1. To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; nor to commit or permit any waste of said property.

2. To complete or restore promptly and in good workmanlike manner any building or improvement 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 financial statement pursuant to the Uniform Commercial Code as the beneficiary may require his office or offices, as well as the cost of all lien searches made by filing officers or

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on said premises 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 the full 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 grantor shall fail for any reason to procure 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 same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by the 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 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 charges that may be levied or assessed upon or against said property before they 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 him, 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 obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become part of the debt secured by this trust deed; without waiving any rights arising from breach of any of the covenants hereof and for the property herebefore 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 the trustee incurred in connection with or in enforcing this obligation and trustee's and 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 to pay all costs and expenses, including attorney's fees, including any suit for the foreclosure of this deed, mentioned in this paragraph 7, in all cases, shall be fixed by the trial court and in the event of an appeal from any judgement or decree of the trial court, grantor further agrees to pay such costs as the appellate court shall adjudge reasonable, as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall have the right, if it so elects, to require

the taking under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require

NOTE: The Trust Deed Act provides that the State Bar, a bank trust company, or savings and loan association, or any insurance company authorized by the United States or any agency thereof, or an

trustee hereunder must be either an attorney, who is an active member of the Oregon Bar, authorized to do business under the laws of Oregon or the United States, its subdivisions, affiliates, agents or branches, or a licensed broker under ORS 604.505 to 604.585.

in excess of the amount required to pay all proceedings, shall be paid to beneficiary both in the trial and appellate courts, the indebtedness secured hereby, and grantor necessary in obtaining such compensation.

19. At any time and from time to time note for endorsement (in case of full recoupment of indebtedness), trustee may (a) consent to the making of a map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any re-conveyance or other agreement affecting this deed or the lien or charge thereon; (d) re-convey, without warranty, all or any part of the property. The grantee in any re-conveyance may be described as the "person or persons legally entitled thereto," and the Trustee's fees for any of the services mentioned in this paragraph shall not be 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 taking possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, 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 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, being in 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 in 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, 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 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 to foreclose this trust deed in the manner provided in ORS 86.735 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 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 rendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person offering the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with the 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 said property either in one parcel or in separate parcels and shall highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser conveying the property so sold, but without any covenant or warranty, express or implied. It shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, 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 all persons having recorded liens subsequent to the interest of the trustee in the trust deed as 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 heretofore. Upon such appointment, powers and duties conferred upon any trustee herein named or appointed heretofore, the latter shall be vested with all powers and duties of the trustee herein named or appointed heretofore. Each such appointment and substitution shall be made by written instrument executed by the grantor in form as required by law in which the property is situated, shall be recorded, duly executed and acknowledged, and filed in the mortgage records of the county or counties in which the property is situated.

17. Trustee accepts this trust when this is signed, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of such action or proceeding, in which grantor, beneficiary or trustee shall be a party unless 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, indefeasible title thereto 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 grantor failed to provide proof of coverage and the coverage may be considerably more expensive than insurance grantor might otherwise obtain. 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. [NOTICE: Lien out the warranty that does not apply.]
 (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, and assigns. The term "beneficiary" shall mean the holder and owner, including pledgee, of the debt as a beneficiary herein.

In construing this mortgage, it is understood that the mortgagor or mortgagee may be more than one person; that if the context so requires, the singular shall be taken to mean the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof clear.

IN WITNESS WHEREOF,



OFFICIAL
NOTARY PUBLIC
COMMISSION NO.
MY COMMISSION EXPIRES NO.
STATE OF OREGON

DATE MARSHALL

STATE OF Oregon, Co. Clatskanie
This instrument was acknowledged before me on 16/1/95
by DALE MARSHALL

My Commission Expires 1/1/96

TO:

REQUEST FOR RELEASE FROM RECONCILIATION NOTE (To be used only when obligations have been paid)

, Trustee

I, the undersigned, is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed are hereby released on payment of any sums owing to you under the terms of the trust deed (which are delivered to you herewith together with the trust deed) and to reconstruct the business security to the purview designated by the terms of the trust deed the estate now held by you under the same. Mail receiptance and documents to:

DATED:

Do not lose or destroy this TRUST DEED OR THE NOTE which
will be delivered to the trustee for cancellation before
recovancy will be made.

1

securities

beneficiary

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land in Lot 6, Block 12, STEWART ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and more particularly described as follows:

Beginning at an iron pin degrees 28' West along said line; thence North 89 degrees 08' East parallel with the South line of said Lot 6, [50.0 feet to an iron pin; thence South 0 degrees 28' East parallel with Diamond Street 50.0 feet to an iron pin; thence South 89 degrees 08' West along the South line of said Lot 6, 10.0 feet to the point of beginning.

STATE OF OREGON COUNTY OF KLAMATH		RECEIVED	ss.								
Filed for record in request of:		RECORDED									
of		January	19	19	at	11:50	o'clock	A.M.	the	20th	day
of		forty eight	forty nine								
FEES	\$25.00										
b) <i>Gathleen Ryan</i>											
Linda Smith, County Clerk											