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TRUST DEED

Prime Mortgage Company

(Grantor's Name and Address)

Barbara J. Moss

(Beneficiary's Name and Address)

After recording, return to (Name, Address, City)

Prime Mortgage Security Corporation
10424 SE Cherry Blossom Drive
Portland, Oregon 97216

STATE OF OREGON,

County of _____ } ss.

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/or as fee/file/instrument/microfilm/reception No. _____ of said County.

Witness my hand and seal of County office.

By _____, NAME _____ TITLE _____, Deputy.

THIS TRUST DEED, made this 17th day of December, 1999, between Prime Mortgage Security Corporation, an Oregon Corporation, as Grantor, Aspen Title and Escrow, Inc., as Trustee, and Barbara J. Moss, as Beneficiary,

WITNESSETH:

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

Lot 4, Block 2, FIRST ADDITION TO BLEM-WAS HEIGHTS, and Lot 6, Block 5, FIRST ADDITION TO BLEM-WAS HEIGHTS, in the County of Klamath, State of Oregon.

together with all and singular the tenements, hereditaments and appurtenances 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 Fifty three thousand and no/100 (\$53,000.00)

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 December 17, 1999.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (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 dates expressed therein, or herein, shall become immediately due and payable. The provision by grantor of an earnest money agreement* does not constitute a sale, conveyance 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; not to commit or permit any waste of the property.

2. To complete or restore promptly 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 therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by title officers or searching agencies as may be deemed desirable 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 such other hazards as the beneficiary may from time to time require, in an amount not less than \$_____, 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 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 at grantor's expense. The amount collected under any fire or other insurance policy may 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 returned 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 the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed 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, 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 the full, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligation 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 hereinafter described, as well as the grantor, shall be bound for the payment thereof 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 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.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any such 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 as the appellate court shall judge reasonable as the beneficiary's or trustee's attorney fees on such appeal. 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 condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the moneys payable as compensation for such taking,

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subdivisions, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 196.555 to 196.565. *WARNING: 12 USC 1701j-3 regulates, and any product that exempts a bank, trust company or savings and loan association from the above requirements is subject to the Federal Reserve Board's supervision.

*The publisher suggests that such an agreement be filed with the local office of the beneficiary's escrow agent in complete detail.

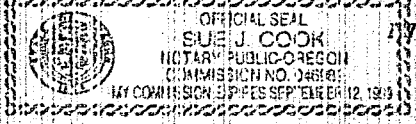
STATE OF OREGON,

County of Multnomah

FORM No. 23--ACKNOWLEDGMENT.
Stevens-Nass Law Publishing Co., Inc.
Portland, OR 97204 ID 1972

BE IT REMEMBERED, That on this 22nd day of January, 1999,
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named: Dale R. Miller
President of Prime Mortgage Security Corporation, an Oregon Corporation

known to me to be the identical individual described in and who executed the within instrument and
acknowledged to me that he executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Sue J. Cook

Notary Public for Oregon

My commission expires 9/12/99

STATE OF OREGON : COUNTY OF KLAMATH ss.

Filed for record at request of Aspen Title & Escrow the 26th day
of January A.D., 1999 at 3:09 o'clock P.M. and duly recorded in Vol. M99
of Mortgages on Page 2181

FEE \$20.00

Linda Smith, County Clerk

Kathleen Ross