With the state of SEE ATTACHED EXHIBIT "A" TO SCHOOL TO VAN BUILDING

which real property is not currently used for agricultural, timber or grazing purposes, together with all and singular the tenements, hereditaments and which rear property to not currently used for agricultural, timber or grazing purposes, tagether with all and engines the renterior and all other rights thereof and all fodures now appertaining, and the rents, issues and profits thereof and all fodures now attached to or used in connection with said real estate:

For the purpose of securing: (1) Payment of the indebtedness in the principal sum of \$ 11,259,01 and all other lawful charges evidenced by a loan agreement of even date herewith, made by grantor, payable to the order of beneficiary at all times, in monthly payments, with the full debt, if

not paid earlier, due and payable on 02/26/06 (2) performance of each agreement of grantor herein contained; (3) payment of all sums expended or advanced by beneficiary under or pursuant to the terms hereof, together with interest at the noto rale thereon.

- 1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good 1. To keep said property in good continuous and repair, not to remove or demonstrating increasing i and workmanike manner any building which may be constructed, camaged or destroyed thereon and to pay when due an claims for laver performed and materials furnished therefor, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law, and do all other acts which from the character or use of said property may be reasonably necessary; the specific enumerations herein not excluding the general.
- 2. To provide, maintain and keep the improvements now existing or hereinafter erected on the premises insured against loss or damage by fire and 2. To provide, maintain and keep the improvements now existing or hereinatter eracted on the premises insured against loss or damage by fire and other hazards and perils included within the scope of a standard extended coverage endorsement, and such other hazards as Beneficiary may require, in such amounts and for such periods as Beneficiary may require, and in an insurance company or insurance companies acceptable to Beneficiary. All insurance policies and renewels shall designed Repatitions as modern loss pages and renewels shall designed Repatitions as modern loss pages. in such amounts and for such periods as beneficiary may require, and in an insurance company or insurance companies acceptable to Seneficiary. Grantor hereby insurance policies and renewals shall designate Beneficiary as mortgage loss payee and shall be in a form acceptable to Seneficiary. Grantor hereby insurance policies and renewals shall designate beneficiary as mongage loss payee and shall be in a form acceptable to beneficiary. Grantor nereby confers full power on Beneficiary to settle and compromise all loss claims on all such policies; to demand, receive, and receipt for all proceeds becoming payable thereunder, and, at Beneficiary's option, to apply same toward either the restoration or repair of the premises or the payment of the note. Any application of such proceeds toward payment of the note shall not extend or postpone the due date of monthly installments due under the
- 3. To pay all costs, fees and expenses of this trust including the cost of title search as well as other costs and expenses of the trustee incurred in connection with or enforcing this obligation, and trustee's and attorney's fees actually incurred as permitted by law.
- 4. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee, and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum as permitted by law, in any such action or
- 5. To pay at least ten (10) days prior to delinquency all taxes or assessments affecting the property, to pay when due all encumbrances, charges proceeding in which beneficiary or trustee may appear. and lions with interest on the property or any part thereof that at any time appear to be prior or superior hereto.
- 6. If Grantor fails to perform the covenants and agreements contained in this Trust Deed, including, without limitation, covenants to pay taxes. o. If Grantor lates to perform the covenants and agreements contained in this trust been, including, without innitation, covenants to pay taxes, procure insurance, and protect against prior liens, Beneficiary may at its option, but shall not be required to, disburse such sums and take such actions procure insurance, and protect against prior lists, beneficiary at its option, but shall not be required to, disbursed such same and take such actions accessary to pay such taxes, procure such insurance, or otherwise to protect Beneficiary's interest. Any amount disbursed by Beneficiary hereunder shall be an additional obligation of Beneficiary secured by this Trust Deed. Unless Grantor and Beneficiary agree otherwise, all such amounts shall be payable immediately by Grantor upon notice from Beneficiary to Grantor, and may bear interest from the date of disbursement by Beneficiary at the payable stated and the note or the highest rate permissible by applicable law. Nothing contained in this paragraph shall require Beneficiary to incur any expense or take any action whatsoever.

7. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and i. Any aware of contraction with any contramination for public use of or injury to said property or any part treated is needly assigned and shall be paid to beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for shall be paid to beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

Deliver to

ASSOCIATES FINANCIAL SERVICES COMPANY OF OREGON, INC.

2047 WASHBURN WAY KLAMATH FALLS, OREGON 97603 (541) 885-9991

ORIGINAL (1) BORROWER COPY (1) RETENTION (1)

8. Upon any default by grantor of that of any part of the property is sold or transferred by grantor without beneficiary's consect, the Beneficiary may at any time, without notice, either in person or by agent, and without regard to the adequacy of any security for the indebtedness secured, enter upon and take possession of the property or any part of it, and that the entering upon and taking possession of the property shall not cure or waive any default or invalidate any act done pursuant to such notice.

- 9. Upon default by grantor in payment of any indebtedness secured or in his performance of any agreement, the beneficiary may declare all sums secured immediately due and payable. In such event beneficiary at its election may proceed to foreclose this trust deed in equity in the manner provided by law for mortgage foreclosures or 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 its written notice of default and its election to sell the said described real property to satisfy the obligations secured hereby and proceed to foreclose this trust deed in a manner provided by law.
- 10. If after default and prior to the time and date set by trustee for the trustee's sale, the grantor or other person pays the entire amount then due under the terms of the trust deed and the obligation secured thereby, the grantor or other person making such payment shall also pay to the beneficiary all the costs and expenses actually incurred in enforcing the terms of the obligations as permitted by law.
- 11. Upon any default by grantor hereunder, grantor shall pay beneficiary for any reasonable attorney fees incurred by beneficiary consequent to grantor's default. Grantor will pay these fees upon domand.
- 12. After a lawful lapse of time following the recordation of the notice of default and the giving of notice of sale the trustee shall sell the property as provided by law at public auction to the highest bidder for cash payable at the time of sale. Trustee shall deliver to the purchaser a deed without express or implied covenants or warranty. Any person excluding the trustee may purchase at the sale.
- 13. When the trustee sells pursuant to the powers provided, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the lawful fees of the trustee and the reasonable fees of the trustee's attorney, (2) the obligations secured by this trust deed, (3) to all persons having recorded liens subsequent to the interest of the beneficiary and the trust deed as their interest may appear in the order of their priority, and (4) the surplus in any, to the grantor or to his successor in interest entitled to such surplus.
- 14. For any reason permitted by law, the beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereinder. 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 hereinder.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has valid, unencumbered title thereto and that he will warrant and forever defend the same against all persons whomsoever.

THIS INSTRUMENT DOES NOT GUARANTEE THAT ANY PARTICULAR USE MAY BE MADE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT. A BUYER SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a beneficiary herein. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

M	the grantor has hereunto set	* * * * * * * * * * * * * * * * * * * *	Mana a	nd H	
- /j -	Witness		vo and	2 pleas	
	and the property of the second	t e sana	DONALD L. STI	EERS (
	Witness		Muzza V	Grantor Grantor	
		e,	HAZEL F. STI	EERS	
STATE OF ORFGON)	The substitute and the substitute of the substit		
) SS.	NOTAR COMM	FFICIAL SEAL AES A. SOWLES Y PUBLIC-OREGON ISSION NO. 052868	
County of KLAMAT	'Н) (2.42)		ION EXPIRES MAR. 28, 2000	
largements, annualised the abo	ove named DONALD L	CTPPDC AND	THE THE COME		
	overnamed and account to the second of the s		HAZEL F. STE	ERS	
	instrument to be		10 mar 40 4 m	unluntan, asi	د. د ٠
	n!			voluntary act	
Before me:	nos es Lower		My commiss	sion expires Man . 28,	200
	the Marian Committee of the second	Service of the	e e e e e e e e e e e e e e e e e e e	Notary Public	
·	e e e	٠			
		1			
	RE To be a	EQUEST FOR FULL REC	ONVEYANCE		
	10 pe a	ised only when obligation	is have been paid.		
<i>TO</i> :	1000 1000 1000 1000 1000 1000 1000 100	Trustee	• •		
The understand is the least of	- and halder he hat tribated and a	in the state of th			
are district to care all skirleness	DANIET RUID HOIGHT OF RUI INVESTIGATIONS DO	ocured by the foregoing trust of	ced. All sums secured by said tr	rust deed have been fully paid and satisfied. I	You here
	Commence of American May District of Date Co	navier (sametrs out triblicité etc foi à c	n nerewith to gather with card in a	at dead) and to reconvoy, without warranty, to	the parti
COSTOPICATED BY ING IGNITS OF SPICE HAND	il deed the estate now held by you under	The same. Mail reconveyance	and documents to		
			t test		
Barrigan in a second	A CONTRACTOR OF THE PROPERTY O		7 - V - V - V		
Bangari Obert - Alles Andre	A CONTRACTOR OF THE SECOND SEC		and the same of the same of		
	we fate and a some ex-	When I when			
Bangari Obert - Alles Andre		are a later	and specification of the speci		

Exhibit "A"

Lot 1, Tract 1241,	Plum Valley	, in the	County	of	Klamath,
State of Oregon.					
183-3709-2800-300	Key No.				
53-3709-2800-300	Kev No.	599436			

		TY OF KLAMATH: SS. Aspen Title & Escrow the 24th A.D., 1999 at 3:38 o'clock PM., and duly recorded in Vol. M99 of Mortgages on Page 6494 Linda Smith, County Clerk	day
FEE	\$20.00	by Kathlun Ross	
		The second secon	