

Filed for Record at Request of
Name NORWEST FINANCIAL SYSTEM OREGON, INC.

Address 1550 BIDDLE RD, SUITE E

City and State, Zip MEDFORD, OR 97504

1999 SEP - 1 PM 3:27

THIS SPACE RESERVED FOR RECORDER'S USE

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ATC # 04050085
OREGON DEED OF TRUST
(With Power of Sale)

Principal Amount of Loan \$ 38,788.97

Number of Monthly Instalments 60

Amount of First Instalment \$ 805.00

Amount of Other Instalments \$ 805.00

First Instalment Due Date OCTOBER 4, 1999

Final Instalment Due Date SEPTEMBER 4, 2004

THIS DEED OF TRUST, made this 30TH day of SEPTEMBER, 1999,
between BEVERLY G. PRESCOTT, an estate in fee simple,
as Grantors ASPEN TITLE & ESCROW, INC.
Trustee, and Norwest Financial System Oregon, Inc., as Beneficiary, as

WITNESSETH, Grantors hereby irrevocably, grant, bargain, sell, and convey to Trustee in trust, with power of sale, the following described
property in KLAMATH County, Oregon:

The description of the property is on a separate form attached to this
Mortgage/Deed of Trust, which description is part of the Mortgage/
Deed of Trust.

Together with tenements, hereditaments, and appurtenances thereunto belonging or in anywise appertaining and the rents, issues and profits thereof.

This conveyance is intended for the purpose of securing the payment to Beneficiary of Grantors' promissory note of even date in the amount stated above as "Principal Amount of Loan," plus interest per annum at the Agreed Rate of Interest on Principal Amount of Loan stated in said note computed on unpaid balances of Principal Amount of Loan, as well as any future note or notes that may be executed and delivered to Beneficiary by Grantors from time to time as provided in said promissory note, the total outstanding indebtedness, however, never to exceed the sum of one hundred thousand dollars at any one time. Said loan is repayable in the number of monthly instalments stated above. The amount of the instalment payments due on said loan are stated above. The first and final instalment due dates on said loan are stated above.

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

To protect the security of this Deed of Trust, Grantor covenants and agrees:

1. To keep the property in good condition and repair; to permit no waste thereof; to complete any building, structure or improvement being built or about to be built thereon; to restore promptly any building, structure or improvement thereon which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
2. To pay before delinquent all lawful taxes and assessments upon the property; to keep the property free and clear of all other charges, liens or encumbrances impairing the security of this Deed of Trust.
3. To keep all buildings now or hereafter erected on the property described herein continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary as its interest may appear and then to the Grantor. The amount collected under any insurance policy may be applied upon and indebtedness hereby secured in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust or cure or waive any default or notice of default or invalidate any act done pursuant to such notice. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale.
4. To obtain Beneficiary's written consent before selling or transferring the property, or any part thereof, and any such sale or transfer without Beneficiary's prior written consent shall constitute a default under the terms hereof.
5. To 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 cost of title search and attorney's fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

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6. To pay all costs, fees and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured hereby and Trustee's and attorney's fees actually incurred, as provided by statute.

7. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured in this Deed of Trust.

IT IS MUTUALLY AGREED THAT:

1. In the event any portion of the property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

3. The Trustee shall reconvey all or any part of the property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor and the Beneficiary, or upon satisfaction of the obligation secured and written request for conveyance made by the Beneficiary or the person entitled thereto.

4. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may 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 his own name sue for or otherwise collect such 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. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In such event and upon written request of Beneficiary, Trustee shall sell the trust property, in accordance with the Trust Deed Act of the State of Oregon, at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Deed of Trust; (3) the surplus, if any, shall be distributed to the persons entitled thereto.

6. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the property which Grantor had or had the power to convey at the time of his execution of this Deed of Trust, and such as he may have acquired thereafter. Trustee's deed shall recite the fact showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrances for value.

7. The power of sale conferred by this Deed of Trust and by the Trust Deed Act of the State of Oregon is not an exclusive remedy; Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage.

8. In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original trustee. The Trustee is not obliged to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

9. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby, whether or not named as Beneficiary herein.

IN WITNESS WHEREOF, the Grantors have hereunto set their hands this 30th day of August, 1999.

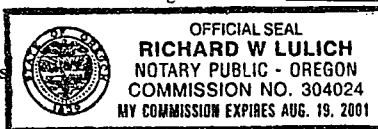
Sign Here [Signature]
Sign Here [Signature]

Done in the presence of:

STATE OF OREGON)

) ss

COUNTY OF JACKSON)



On this 30th day of August, A.D. 1999, personally appeared the above named Beverly G. Prescott and acknowledged the foregoing instrument to be their voluntary act. Before me:

[Signature]
Notary Public

My Commission Expires: 8/19, 2001.

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO TRUSTEE:

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust and said note, together with all other indebtedness secured by Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____,

Mail reconveyance to _____

BP
 Addendum for legal description of Mortgage/Deed of Trust dated 8/30/99, Beverly G. Prescott, mortgagors.

A tract of land beginning at the Southeast corner of Lot 16 in Section 16, Township 41 South, Range 12 East of the Willamette Meridian, in the County of Klamath, State of Oregon, and running thence North 600 feet; thence West 726 feet; thence South 600 feet; thence East 726 feet to the point of beginning.

LESS THE FOLLOWING: Beginning at the intersection of the South line of said Section 16 with the centerline of South Malin Highway, as the same is now located and constructed; thence North along said centerline a distance of 35.0 feet and West a distance of 30.0 feet to the intersection of the West line of said Highway with the North right of way line of the U.S.B.R. No. 11-B-1-B Drain and the true point of beginning of this description; thence West along the North line of said Drain a distance of 696.0 feet to a point; thence North a distance of 203.25 feet, more or less, to a East-West fence line; thence East along said fence line a distance of 380.0 feet, more or less, to a North-South fence line; thence South along said fence line a distance of 175.25 feet to a point 28.0 feet North of the North right of way line of said No. 11-B-1-B Drain; thence East along a fence line 316.0 feet, more or less, to the West line of said Highway; thence South along said West line a distance of 28.0 feet, more or less, to the point of beginning.

CODE 16 MAP 4112-1600 TL 2700

State of Oregon, County of Klamath
 Recorded 9/01/99, at 3:27 p.m.
 In Vol. M99 Page 35342
 Linda Smith,
 County Clerk Fee\$ 20⁰⁰