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TRUST DEED

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NELSON LEE HARDY and DARLA KAY RHODES
15805 SE TONG RD.
CLACKAMAS, OR 97015

Grantor

GENE QUIGLEY, JR.
647 RILEY RD.

EAGLE POINT, OR 97524

Beneficiary

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After recording return to: ESCROW NO. MT49600-PS
AMERITITLE
222 S. 6TH STREET
KLAMATH FALLS, OR 97601

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TRUST DEED

THIS TRUST DEED, made on NOVEMBER 5, 1999, between
NELSON LEE HARDY and DARLA KAY RHODES, with the rights of survivorship, as
Grantor,
AMERITITLE, an Oregon Corporation, as Trustee, and
GENE QUIGLEY, JR., 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 8 in Block 12 of KLAMATH FOREST ESTATES, according to the official
plat thereof on file in the office of the County Clerk of Klamath County,
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
THREE THOUSAND Dollars, with interest thereon

according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made payable by grantor, the
final payment of principal and interest hereof, if not sooner paid, to be due and payable December 10 2004.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be
sold, conveyed, assigned, or alienated by the grantor without first having obtained 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.

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 im-
provement thereon; not 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 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 filing 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 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
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 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 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
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 hereinbefore 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 this trust deed 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 suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed,
to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's
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
decrees of the trial court, grantor further agrees to pay such sum 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 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 monies payable as compensation for such taking, which are

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 subsidiaries, affiliates, agents or branches,
the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.