

K57534

TRUST DEED

'01 SEP 19 PM3:19

After recording, this Trust Deed shall be delivered to:

Neil R. Bryant
BRYANT LOVLIE & JARVIS PC
P.O. BOX 1151
BEND, OR 97709-1151

Trust Deed made this 19th day of September, 2001, between WILLIAM D. YOUNG and DIANA K. YOUNG, husband and wife, as Grantors, and RUBY L. SEELEY, or Successor Trustee, of the Seeley Family Revocable Living Trust u/t/d 3/12/96: Trust A, as Beneficiary, and NEIL R. BRYANT, as Trustee.

Grantor conveys to Trustee in trust with the power of sale the following described property in Klamath County, Oregon:

SE ¼ SE ¼ of Section 4, NE ¼ and NW ¼ SE ¼ of Section 9, all in Township 23 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

TOGETHER with a road easement over and across the South 60 feet of the NW¼ of the SW ¼ of Section 3 and the E½ of the NE ¼ of the SE ¼ of Section 4, Township 23 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon.

Consisting of 240 acres, more or less.

EXCEPTING THEREFROM:

1. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey would disclose.

This Trust Deed is for the purpose of securing performance of a promissory note of even date executed by Grantors and payable to Beneficiary.

Grantors agree:

- (1) To protect, preserve and maintain said property in good condition and repair and not to commit or permit any waste of said property.

K36

(2) To not log any merchantable trees on the property without the express written consent of Beneficiary.

(3) To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.

(4) To keep the property free from all liens and to pay all taxes, assessments, maintenance charges or other charges that may be levied or assessed upon or against said property before the same become past due or delinquent. Beneficiary, at its option, may pay such items when the same become delinquent and the amount so paid shall be added to the principal owing under the promissory note above described at the same rate of interest and with costs for collection. Said property may be zoned and classified for forest use. At any time that said land is disqualified for such use, the property will be subject to additional taxes or penalties and interest which shall be paid by Grantors.

(5) To pay all costs, fees and expenses incurred by Beneficiary or Trustee under this agreement, including the costs of title search and other costs and expenses incurred in connection with or enforcing this obligation, including attorneys' fees.

(6) Upon default by Grantors of any provision of this agreement, Beneficiary may declare all sums secured hereby to be immediately due and payable.

(7) Grantors agree to manage the forest land in a good and husband-like manner according to the usual practices of husbandry followed in the area for forestry.

(8) The Grantors specifically understand and agree that this Trust Deed is personal between the parties hereto; and that Beneficiary desires to accept the Grantors' personal responsibility and control of the real property secured by this Trust Deed; and, that this was a material inducement to Beneficiary in the execution of this Trust Deed. If the Property being

secured by this Trust Deed and a Promissory Note of same date, or any part of the Property thereof, is sold, assigned or transferred by the Grantors, voluntarily or involuntarily, such assignment, sale or other transfer shall be deemed to increase the risk of Beneficiary and Beneficiary may declare the entire unpaid balance immediately due and payable under the Note or, at Beneficiary's sole option, Beneficiary may consent to such sale, assignment or other transfer of the property and as a condition thereof increase the interest rate of the Note in an amount not to exceed the maximum rate then permitted by law, to compensate for such increased risk. Such increase in interest shall entitle Beneficiary to increase monthly payments on this contract so as to retire the obligation within the stipulated time provided for herein.

Grantors are the owners of the above described property free and clear of any encumbrances, except those above described and will warrant and defend the same against all persons.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

IN WITNESS WHEREOF, Grantors have executed this agreement the day and year first above written.

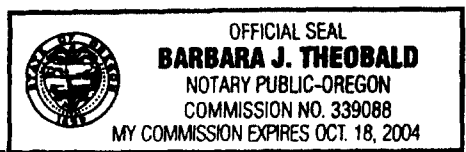
William D. Young
WILLIAM D. YOUNG

Diana K. Young
DIANA K. YOUNG

STATE OF OREGON, County of Lane, ss:

The foregoing instrument was acknowledged before me this 12th day of Sept., 2001, by WILLIAM D. YOUNG.

Barbara J. Theobald
Notary Public for Oregon
My Commission Expires 10-18-04

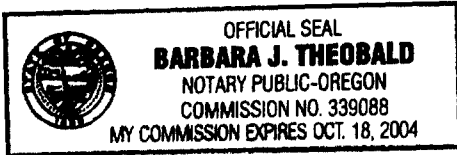


47669

STATE OF OREGON, County of Lane, ss:

The foregoing instrument was acknowledged before me this 12th day of Sept, 2001, by DIANA K. YOUNG.

Barbara J. Theobald
Notary Public for Oregon
My Commission Expires 10-18-04



State of Oregon, County of Klamath
Recorded 09/19/01 at 3:19 p m.
In Vol. M01 Page 47666
Linda Smith,
County Clerk Fee\$ 36.00