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02 APR 29 PM 3:07

TRUST DEED

Vol M02 Page 25371



THIS TRUST DEED, made this day of April 2002, between

BILLY G. LEAMING AND ADELINE E. LEAMING, husband and wife

as Grantor, Bend Title Company, as Trustee, and
Robert J. Carlson, Jr., Trustee of the Faust Trust as amended, dated January
1, 1982

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:

See Exhibit A attached hereto and by reference incorporated herein

State of Oregon, County of Klamath
Recorded 04/29/2002 3:07 p m.
Vol M02, Pg 25371-77
Linda Smith, County Clerk
Fee \$ 5.00 # of Pgs 7together 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 said real estate.FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the
sum of One Million Fifty Thousand and no/100 Dollars (\$1,050,000.00)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 May 1, 2007The 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.

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

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 improvement thereon;
not to commit or permit any waste of said property.2. To complete or restore promptly and in good and 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 said 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 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 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 replacement 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 the 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 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 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 the 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 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
decree 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 in excess of the amount required
to pay all reasonable costs, expenses and attorney's fees necessarily paid or
incurred by grantor in such proceedings, shall be paid to beneficiary and
applied by it first upon any reasonable costs and expenses and attorney's fees,
both in the trial and appellate courts, necessarily paid or incurred by beneficiary
in such proceedings, and the balance applied upon the indebtedness
secured hereby; and grantor agrees, at its own expense, to take such actions
and execute such instruments as shall be necessary in obtaining such compensation,
promptly upon beneficiary's request.9. At any time and from time to time upon written request of beneficiary,
payment of its fees and presentation of this deed and the note for
endorsement (in case of full reconveyances, for cancellation), without affecting
the liability of any person for the payment of the indebtedness, trustee may(a) consent to the making of any map or plat of said property; (b) join in
granting any easement or creating any restriction thereon; (c) join in any
subordination or other agreement affecting this deed or the lien or charge
thereof; (d) reconvey, without warranty, all or any part of the property. The
grantee in any reconveyance may be described as the "person or persons
legally entitled thereto," and the recitals therein of any matters or facts shall
be conclusive proof of the truthfulness thereof. Trustee's fees for any of the
services mentioned in this paragraph shall be not less than \$5.10. Upon any default by grantor hereunder, 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 its own name sue or otherwise collect the 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.11. The entering upon and taking possession of said property, the
collection of such rents, issues and profits, or the proceeds of the and other
insurance policies or compensation or awards for any taking or damage of the
property, and the application or release thereof as aforesaid, shall not cure or
waive any default or notice of default hereunder or invalidate any act done
pursuant to such notice.12. Upon default by grantor in payment of any indebtedness secured
hereby or in his performance of any agreement hereunder, the beneficiary may
declare all sums secured hereby immediately due and payable. In such an
event the beneficiary at his election may proceed to foreclose this trust deed
in equity as a mortgage 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 his written notice of default and his election
to sell the said described real property to satisfy the obligation secured
hereby whereupon the trustee shall fix the time and place of sale, give notice
thereof as then required by law and proceed to foreclose this trust deed in
the manner provided in ORS 86.735 to 86.795.13. After the trustee has commenced foreclosure by advertisement and
sale, and at any time prior to 5 days before the date the trustee conducts the
sale, the grantor or any other person so privileged by ORS 86.753, may cure
the default or defaults. If the default consists of a failure to pay, when due,
sums secured by the trust deed, the default may be cured by paying the
entire amount due at the time of the cure other than such portion as would
not then be due had no default occurred. Any other default that is capable of
being cured may be cured by tendering the performance required under the
obligation or trust deed. In any case, in addition to curing the default or
defaults, the person effecting the cure shall pay to the beneficiary all costs
and expenses actually incurred in enforcing the obligation of the trust deed
together with trustee's and attorney's fees not exceeding the amounts provided
by law.14. Otherwise, the sale shall be held on the date and at the time and
place designated in the notice of sale or the time to which said sale may
be postponed as provided by law. The trustee may sell said property either
in one parcel or in separate parcels and shall sell the parcel or parcels at
auction to the highest bidder for cash, payable at the time of sale. Trustee
shall deliver to the purchaser its deed in form as required by law conveying
the property so sold, but without any covenant or warranty, express or implied.
The recitals in the deed of any matters of fact shall be conclusive proof
of the truthfulness thereof. Any person, excluding the trustee, but including
the grantor and beneficiary, may purchase at the sale.15. When trustee sells pursuant to the powers provided herein, trustee
shall apply the proceeds of sale to payment of (1) the expenses of sale, including
the compensation of the trustee and a reasonable charge by trustee's
attorney, (2) to the obligation secured by the trust deed, (3) to all persons
having recorded liens subsequent to the interest of the trustee in the trust
deed as their interests may appear in the order of their priority and (4) the
surplus, if any, to the grantor or to his successor in interest entitled to such
surplus.16. Beneficiary may from time to time appoint a successor or successors
to any trustee named herein or to any successor trustee appointed hereunder.
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 hereunder. Each such appointment
and substitution shall be made by written instrument executed by beneficiary,
which, when recorded in the mortgage records of the county or counties in
which the property is situated, shall be conclusive proof of proper appointment
of the successor trustee.17. Trustee accepts this trust when this deed, duly executed and
acknowledged is made a public record as provided by law. Trustee is not
obligated to notify any party hereto of pending sale under any other deed of
trust or of any action or proceeding in which grantor, beneficiary or trustee
shall be a party unless such action or proceeding is brought by trustee.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.

SLOW

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 a valid, unencumbered title thereto subject to those exceptions set forth on Exhibit A attached hereto.

and that he will warrant and forever defend the same against all persons whomsoever.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) ~~for the personal, family, or household use of the grantor or for the education of the grantor or for the medical expenses of the grantor or for the support of the grantor or for the support of the grantor's family or for the support of the grantor's household or for the support of the grantor's education or for the support of the grantor's medical expenses or for the support of the grantor's family or for the support of the grantor's household or for the support of the grantor's education or for the support of the grantor's medical expenses~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract 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.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.
See Exhibit B attached hereto and incorporated by reference herein for additional covenants and conditions

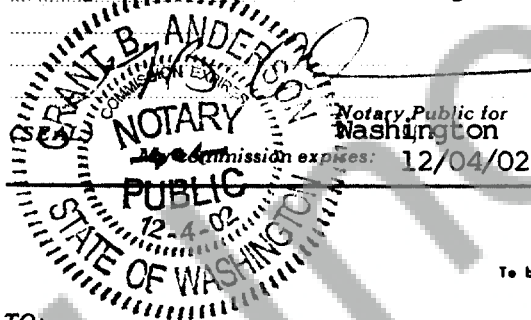
* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Billy G. Leaming
Billy G. Leaming
Adeline E. Leaming
Adeline E. Leaming

(If the signer of the above is a corporation, use the form of acknowledgement opposite.)

STATE OF Washington)
County of Pierce) ss.
This instrument was acknowledged before me on April 26, 2002, by Billy G. Leaming and Adeline E. Leaming

STATE OF OREGON,)
County of) ss.
This instrument was acknowledged before me on _____, by _____, as _____ of _____
Notary Public for Oregon
My commission expires: _____ (SEAL)



REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED
(FORM No. 881)
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Billy G. Leaming
Adeline E. Leaming
10721 Glen Acres Dr. S.
Seattle, Wa. 98168 Grantor

Faust Trust
PO Box 2444
Gig Harbor, WA 98335 Beneficiary

AFTER RECORDING RETURN TO
Grant B. Anderson
SMITH ALLING LANE, P.S.
1102 Broadway Plaza, #403
Tacoma, WA 98402

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON, } ss.
County of _____

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 _____ or as fee/tile/instrument/microfilm/reception No. _____, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE
By _____ Deputy

EXHIBIT "A"
LEGAL DESCRIPTION

25373

PARCEL 1:

That portion of the S1/2 of the SE1/4 of Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the Southeast Section corner of Section 7; thence West along the South line of said Section, a distance of 540 feet to the point of beginning; thence North a distance of 150 feet; thence West a distance of 200 feet; thence South, a distance of 150 feet; thence East along the South line of said Section, a distance of 200 feet to the point of beginning.

PARCEL 2:

A parcel of land situated in Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, being more particularly described as follows:

Commencing at the Northeast corner of the Southeast quarter of said Section 7; thence South 00 degrees 07' 28" East along the East line of said Section 7, 661.00 feet; thence leaving said East Section line North 89 degrees 55' 26" West, 180.00 feet to the point of beginning for this description; thence continuing North 89 degrees 55' 26" West, 30.00 feet; thence South 00 degrees 02' 05" West, 369.38 feet; thence South 80 degrees 18' 57" East, 94.30 feet; thence South 47.62 feet; thence East, 71.40 feet; thence North 05 degrees 36' 02" East, 15.07 feet to a point hereinafter referred to as point "A"; thence continuing North 05 degrees 36' 02" East, 50.03 feet; thence North 80 degrees 18' 57" West, 142.73 feet; thence North 00 degrees 02' 05" East, 344.03 feet to the point of beginning. EXCEPTING THEREFROM the Northerly 3.14 feet.

TOGETHER WITH a parcel of land 20.00 feet in width lying 10.00 feet on either side of the following described centerline:

Beginning at point "A" as established in the above description; thence South 89 degrees 07' 21" East, 35.25 feet; thence South 00 degrees 07' 28" East parallel to but 10.00 feet Westerly of the East line of said Section 7, 250 feet, more or less, to the South line of the North half of the Southeast quarter of said Section 7 and the terminus of this description.

PARCEL 3:

The S1/2 of the SW1/4 of Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM the following:

Parts of Lot 3 in the SW1/4 and the SE1/4 of the SW1/4 of Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

- Continued -

EXHIBIT "A"
LEGAL DESCRIPTION
CONTINUED

PARCEL 3: Continued...

Beginning at the Southwest section corner of said Section 7; thence North along the West line of said Section a distance of 1091.7 feet to a 1 1/4" iron pipe 30 inches long; thence South 46 degrees 30' East a distance of 425.0 feet to a 1 1/4" iron pipe 30 inches long; thence South 73 degrees 30' East a distance of 831.0 feet to a 1 1/4" iron pipe 30 inches long; thence North 88 degrees East a distance of 691.7 feet to a 1 1/4" iron pipe 30 inches long; thence South 83 degrees 30' East a distance of 367.2 feet to a 1 1/4" iron pipe 30 inches long; thence South 8 degrees 30' East a distance of 90.8 feet to a 1 1/4" iron pipe 30 inches long; thence South 30 degrees 30' East a distance of 67.7 feet to a 3/4" iron pipe 36 inches long; thence South 54 degrees 30' East a distance of 140.0 feet to a 1 1/4" iron pipe 30 inches long; thence North 81 degrees East a distance of 80.8 feet to a 3/4" iron pipe 40 inches long; thence South 72 degrees 30' East a distance of 101.40 feet to a 1 1/4" iron pipe 30 inches long; thence North 77 degrees 30' East, a distance of 147.8 feet, more or less to a 1 1/4" iron pipe 30 inches long, located at the East line of the SE1/4 of the SW1/4 of said Section; thence South along the East line of the SE1/4 of the SW1/4 of said Section, a distance of 365.0 feet, more or less, to the quarter corner on the South line of said Section 7; thence West along the South line of said Section, a distance of 2640.0 feet, more or less to the point of beginning.

PARCEL 4:

The S1/2 of the SE1/4 of Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, EXCEPTING THEREFROM the following:

Beginning at the Southeast section corner of said Section 7; thence West along the South line of said Section, a distance of 540 feet to the point of beginning; thence North a distance of 150 feet; thence West a distance of 200 feet; thence South, a distance of 150 feet; thence East along the South line of said Section, a distance of 200 feet to the point of beginning.

PARCEL 5:

A parcel of land situated in Section 7, Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of said parcel from which the Southeast corner of the N1/2 of said Section 7 bears South 43 degrees 53' 53" East, 1866.65 feet; thence South 89 degrees 48' 22" West 820.0 feet; thence North 00 degrees 11' 38" West 810.0 feet; thence North 89 degrees 48' 22" East 820.0 feet; thence South 00 degrees 11' 38" East 810.00 feet to the point of beginning.

- Continued -

EXHIBIT "A"
LEGAL DESCRIPTION
CONTINUED

PARCEL 5: Continued...

TOGETHER WITH a road easement for ingress and egress, as created by instrument dated March 10, 1976, recorded March 19, 1976 in Volume M76, page 3991, Microfilm Records of Klamath County, Oregon, said easement being 30.00 feet in width lying 15.0 feet on either side of the following described property centerline:

Beginning at a point on the South line of the North half of said Section 7 from which the Southeast corner of said N1/2 of Section 7 bears South 89 degrees 55' 26" East along said South line 1657.00 feet; thence North 00 degrees 04' 34" East, 111.55 feet; thence North 13 degrees 40' 47" East, 1114.75 feet; thence North 22 degrees 41' 59" East 160.48 feet to a point on the South line of the above described parcel from which the Southeast corner of the above described parcel bears North 89 degrees 48' 22" East, 37.00 feet.

***** END OF LEGAL DESCRIPTION *****

SUBJECT TO:

1. Rights of the public in and to any portion of the herein described premises lying within the limits of streets, roads or highways.
2. Grant of Right of Way, subject to the terms and provisions thereof;

Dated: August 26, 1953
Recorded: September 3, 1953
Volume: 262, page 641, Deed Records of Klamath County, Oregon
In favor of: California Oregon Power Company

3. An easement created by instrument, subject to the terms and provisions thereof;

Dated: March 9, 1979
Recorded: April 23, 1979
Volume: M79, page 9104, Microfilm Records of Klamath County, Oregon
In favor of: Pacific Northwest Bell Telephone Company
For: Repeater station and associated equipment

4. SUBJECT TO one (1) underlying Deed of Trust, one (1) Assignment of Rents and one (1) Financing Statement between the Grantor and Liberty Bank, which indebtedness Grantor shall continue to pay according to its terms and Grantor further agrees to indemnify and hold the Grantee harmless with respect to this one (1) underlying Deed of Trust, one (1) Assignment of Rents and one (1) Financing Statement and the obligation it secures.

EXHIBIT "B"

In any suit to foreclose this Trust Deed, the Court may, upon application of the Beneficiary, as a matter of right whether or not the apparent value of the property exceeds the amount of the balance secured hereby, appoint a receiver to take possession of said property, and any receiver appointed may serve without bond.

Unofficial
Copy