

After recording return to
and mail tax statements to:

McDougal Bros. Investments
PO Box 518
Creswell, OR 97426

State of Oregon, County of Klamath
Recorded 06/06/2003 11:05 a m.
Vol M03 Pg 38605-7
Linda Smith, County Clerk
Fee \$ 3.00 # of Pgs 3

00391

TRUST DEED

PARTIES: **STACIE L. ALBERTS, Grantor**

Fidelity National Title Co., Trustee

McDougal Bros. Investments,
an Oregon general partnership, Beneficiary

Grantor conveys to Trustee, in trust, with power of sale, the real property described on Exhibit A, which is not currently used for agricultural, timber or grazing purposes.

This Trust Deed shall secure payment and performance of a Promissory Note of even date together with any and all additional and prior advances or loans from Beneficiary to or on behalf of Grantor. The principal amount of the Promissory Note is \$70,000.00, which, together with accrued interest, is due on demand.

Grantor warrants and covenants that Grantor owns the property free and clear of encumbrances except easements, conditions and restrictions of record.

Grantor shall pay the Promissory Note and all other advances in accordance with its agreement with Beneficiary and shall pay when due all taxes, assessments and other charges which may be levied against the property. Grantor shall keep any buildings now on the premises or which may hereafter be placed thereon insured against loss or damage by fire, with extended coverage, for their full insurable value with Beneficiary listed as a named insured or loss payee. Grantor shall keep improvements on the premises in good repair and will not commit or suffer any waste thereof or of the premises.

Time is of the essence hereof. Default by Grantor of any of Grantor's obligations in the Promissory Note or other loan agreements with Beneficiary, or this Trust Deed will entitle Beneficiary to declare the full unpaid balance of the promissory note, together with any other sums secured by this Trust Deed, immediately due and payable, in which case failure of the Grantor to pay the full amount declared to be due within ten (10) days from the date of such declaration shall be a material breach of this Trust Deed.

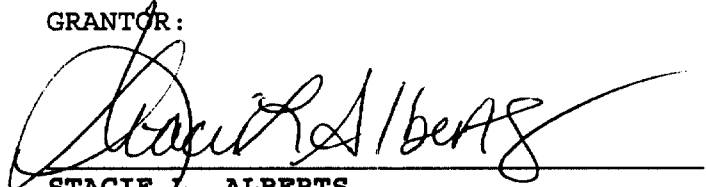
Should Grantor default, Beneficiary, in addition to any other legal or equitable remedies, may deliver to its Trustee a written notice of default and election to sell the property. Upon such delivery, the

Beneficiary shall deposit with the Trustee this Trust Deed and all promissory notes and documents evidencing expenditures secured hereby, whereupon the Trustee shall fix the time and place of sale and give notice thereof as then required by law.

If legal expenses are incurred in a trustee's sale of the property, the Trustee and Beneficiary shall be entitled to recover such expenses. If litigation arises from this document, the prevailing party shall be entitled to recover attorney fees at all levels of litigation.

Date: 6-5, 2003.

GRANTOR:


STACIE L. ALBERTS

STATE OF OREGON)
) ss.
County of Lane)

The foregoing instrument was acknowledged before me this 5 day of June, 2003, by Stacie L. Alberts, Grantor.




Notary Public for Oregon
My Commission Expires: _____

EXHIBIT "A"
LEGAL DESCRIPTION

A portion of the SW1/4 of Section 17, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

All of that portion of the SW1/4 of Section 17, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, situated on the Southwesterly side of the Southwesterly line of Highway right of way of Oregon State Highway 58, EXCEPT a rectangular portion commencing at a point where the North-South center line of said Section 17 intersects the Southwesterly line of the highway right of way of Oregon State Highway 58; thence along said Southwesterly line of said right of way in a generally Northwesterly direction a distance of 850 feet to a point which is the true point of beginning; thence at right angles to said highway right of way and in a generally Southwesterly direction 250 feet to a point; thence at right angles to said last course and in a generally Northwesterly direction a distance of 175 feet to a point; thence at right angles to said last course and in a generally Northeasterly direction a distance of 250 feet, more or less, to the said Southwesterly right of way line of said Oregon State Highway 58; thence along said Southwesterly line of said right of way in a generally Southeasterly direction a distance of 175 feet, more or less, to the point of beginning.