

APN: 491024

Trust Deed - continued

File No.: NCS-80211-WA1 (tej)  
Date: 04/15/2004



THIS SPACE RESERVED FOR RECORDER'S USE

State of Oregon, County of Klamath  
Recorded 04/23/2004 12:20 P m  
Vol M04 Pg 24425-36  
Linda Smith, County Clerk  
Fee \$ 46.00 # of Pgs 6

After recording return to:  
Round Lake Mobile Home Park and  
Golf Course, LLC  
10721 Glen Acres Dr. South  
Seattle, WA 98168

File No.: NCS-80211-WA1 (tej)  
Date: April 16, 2004

## TRUST DEED

*(Assignment Conditionally Restricted)*  
**Round Lake Water & Sewer Utilities**

THIS DEED OF TRUST, non-recourse, made this **Fifteenth day of April, 2004**, between **LK Investments L.L.C., a Washington Limited Liability Company**, as GRANTOR, and, **First American Title Insurance Company**, as TRUSTEE, and **Round Lake Mobile Home Park and Golf Course, L.L.C., a Washington Limited Liability Company**, as BENEFICIARY.

**WITNESSETH:** Grantor irrevocably conveys to Trustee in trust, with power of sale, certain real property in Klamath County, Oregon, described as:

**Parcel 3: 3908-700-1900**

**Parcel 4: 3908-700-600**

**Parcel 5: 3908-7DA-6301**

**See attached Exhibit "A"**

Together with all singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues, and profits thereof, together with 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 hundred Fifty Thousand dollars (\$150,000.00)**, 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.

This Deed of Trust is assumable to qualified buyer. Beneficiary has five days after receiving assumption application: which includes Buyer's resume, credit report, and financial statement, to disapprove the new buyer's credit in writing. Valid disapproval should include reasonable grounds for rejection. Deed assignment is considered to be approved if Beneficiary does not provide the applicant with valid written disapproval within five days after receiving the application.

In the event the within described property, or any part thereof, or any interest therein is sold by the Grantor without first having obtained the written consent 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, unless, Grantor continues Grantor's obligation to make note payments or though an all-inclusive Deed of Trust which continues Grantor's payment obligation. In that case, Grantor does not need the consent of the Beneficiary.

**Grantor agrees:**

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement therein; 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 therefore.

3. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said property against loss or damage by fire and other hazards as the Beneficiary may require, with loss first payable to Beneficiary as principal reduction; proof of insurance shall be delivered to the Beneficiary as soon as issued.

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

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 receipt of payment to Beneficiary.

6. 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 7 and 8 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 herein before 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.

7. To pay reasonable costs, fees and expenses of this trust of the Trustee incurred in connection with or in enforcing this obligation together with trustees' and attorneys' fees actually incurred.

8. 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. The amount of attorneys' fees mentioned in this paragraph 7 above 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 attorneys' fees on such appeal.

**The parties mutually agree:**

1. In the event that any portion of the property is taken under the right of eminent domain or condemnation, Beneficiary shall have the right, if it so elects, to require that pro rata portion of the monies received by Grantor. Said amount will be credited first to interest and then to principal reduction.

2. 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 the 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 attorneys' fees upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

3. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire 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.

4. Upon default by Grantor in payment of any indebtedness secured hereby or in Grantor's performance of any agreement contained hereunder, time being of the essence with respect to such payment and/or performance, the Beneficiary may declare all sums secured hereby immediately due and payable. In such event Beneficiary, at its election, may proceed to foreclose this trust deed by advertisement and sale. In the event the Beneficiary elects to foreclose by advertisement and sale, the Beneficiary or the Trustee shall execute and cause to be recorded a written notice of default and 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.

5. The Grantor and those persons authorized by ORS 86.753 may cure any default(s) 5 days before the date the Trustee has designated for sale. Any cure of default(s) shall require payment of or tendering performance and the payment of all costs and expenses actually incurred in enforcing the obligations of this Trust Deed, including, but not limited to, trustees' and attorneys' fees as authorized by law.

In the absence of any such cure, the Trustee will enforce the obligations of this Trust Deed in accordance with paragraph 4 herein and as authorized and required by applicable law.

6. 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) 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 interest 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.

7. 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 an 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.

The Grantor covenants to and agrees with the Beneficiary and the Beneficiary's successors in interest that the Grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto.

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 singular number includes the plural.

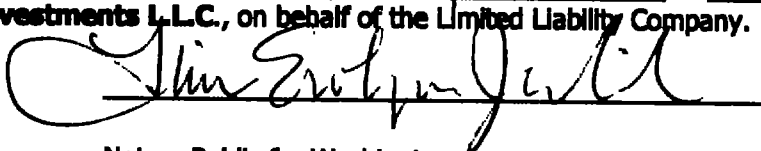
IN WITNESS WHEREOF, the Grantor has hereunto set his hand the day and year first above written.

LK Investment, L.L.C., a Washington Limited Liability Company

  
 By: Carol Lin, Manager

STATE OF Washington )  
 ) ss.  
 County of King )

This instrument was acknowledged before me on this 21 day of April, 2004  
 by Carol Lin as Manager of LK Investments L.L.C., on behalf of the Limited Liability Company.



Notary Public for Washington  
 My commission expires: 3/29/04



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File No.: NCS-80211-WA1 (taf)

Date: 04/15/2004

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

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TO: , Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the 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 the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed, the estate now held by you under the same.

Mail Reconveyance to:

Dated: \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Beneficiary

**Do not lose or destroy this Deed of Trust OR THE NOTE which it secures.  
Both must be delivered to the Trustee before cancellation before reconveyance is made.**

**Parcel 3:**

That portion of the S  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  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 4:**

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 N  $\frac{1}{2}$  of said Section 7 bears South 43°53'53" East, 1866.65 feet; thence South 89°48'22" West 820.00 feet; thence North 00°11'38" West 810.00 feet; thence North 89°48'22" East 820.00 feet; thence South 00°11'38" East 810.00 feet to the point of beginning.

TOGETHER WITH a road easement for ingress and egress, 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 N  $\frac{1}{2}$  of said Section 7 from which the Southeast corner of said N  $\frac{1}{2}$  of Section 7 bears South 89°55'26" East along said South line 1657.00 feet; thence North 00°04'34" East, 111.55 feet; thence North 13°40'47" East, 1114.75 feet; thence North 22°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°48'22" East 37.00 feet.

**Parcel 5:**

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 SE  $\frac{1}{4}$  of said Section 7; thence South 00°07'28" East along the East line of said Section 7, 661.00 feet; thence leaving said East Section line North 89°55'26" West, 180.00 feet to the point of beginning for this description; thence continuing North 89°55'26" West 30.00 feet; thence South 00°02'05" West, 369.38 feet; thence South 80°18'57" East 94.30 feet; thence South 47.62 feet; thence East 71.40 feet; thence North 05°36'02" East, 15.07 feet to a point hereinafter referred to as point "A"; thence continuing North 05°36'02" East, 50.03 feet; thence North 80°18'57" West, 142.73 feet; thence North 00°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 centerline:

Beginning at a point "A" as established in the above description; thence South 89°07'21" East, 35.25 feet; thence South 00°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 N  $\frac{1}{2}$  of the SE  $\frac{1}{4}$  of said Section 7 and the terminus of this description.