

04 SEP 16 PM 3:11

MTT-1396-6271

TRUST DEED

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After recording, this Trust Deed shall be delivered to:  
LYNN F. JARVIS  
BRYANT LOVLIE & JARVIS PC  
P.O. BOX 1151  
BEND, OR 97709-1151

State of Oregon, County of Klamath  
Recorded 09/16/04 3:11 P m  
Vol M04 Pg 62051-52  
Linda Smith, County Clerk  
Fee \$ 26.00 # of Pgs 2

Trust Deed made this 15 day of September, 2003, between as Cherie Lee Appleby, Grantor, and Patrick Lloyd Appleby, as Beneficiary, and Amerititle, as Trustee.

Grantor conveys to Trustee in trust with the power of sale the following described property located at 148800 Beal Road, LaPine, Deschutes County, Oregon, and more particularly described as:

E 1/2 NW 1/4 and SW 1/4 NW 1/4, Section 22, Township 23 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon. LESS AND EXCEPTING that portion lying within the right of way of the Great Northern Railroad.

This Trust Deed is for the purpose of securing performance of a promissory note of even date executed by Grantor and payable to Beneficiary in the amount of \$104,524.00.

Grantor agrees:

- (1) To protect, preserve and maintain said property in good condition and repair and not to commit or permit any waste of said property.
- (2) To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.
- (3) 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 his 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.
- (4) 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.

- 1 - TRUST DEED

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

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2600 am


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

(6) To maintain adequate fire insurance coverage on improvements on the said property, with Beneficiary as a loss payee to the extent of their interest.

Grantor is the owner 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.

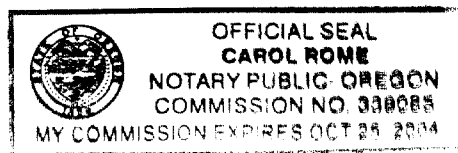
IN WITNESS WHEREOF, Grantor has executed this agreement the day and year first above written.

  
CHERIE LEE APPLEBY

STATE OF OREGON, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 15 day of Sept, 2003, by Cherie Lee Appleby.

  
Notary Public for Oregon



"EXHIBIT C"