

Aspen Title & Escrow

Vol M05 Page 02797

Recording Requested By:
Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601

State of Oregon, County of Klamath
Recorded 01/13/05 3:23 P.m
Vol M05 Pg 02797-802
Linda Smith, County Clerk
Fee \$ 46 # of Pgs 6

When Recorded Return To:

Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601

Until requested otherwise, send all tax statements:

05 JAN 13 PM 3:23

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

COVER SHEET

DOCUMENT: TRUST DEED
GRANTOR: RVI PROPERTIES, INC.
GRANTEE: BLY MOUNTAIN RESOURCE MANAGEMENT
GROUP, LLC AND WILLIAM M. GANONG
PROFIT SHARING PLAN TRUST
CONSIDERATION : \$79,600.00

4400
X

02798

TRUST DEED

THIS TRUST DEED, made this 4th day of January, 2005, between RVI PROPERTIES INC., as Grantor, Aspen Title & Escrow, Inc., as Trustee, and BLY MOUNTAIN RESOURCE MANAGEMENT GROUP, LLC AND WILLIAM M. GANONG PROFIT SHARING PLAN TRUST each as to an undivided one half interest, 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:

Lots 24, 25, 69, 71 and 72, Block 12, KLAMATH FALLS FOREST ESTATES HIGHWAY 66 UNIT, PLAT NO 1, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

together 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 the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of **Seventy-Nine Thousand Six Hundred And 00/100** 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 Jan. 13, 2015.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, the, 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 execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition 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, regulation, covenants, conditions and restrictions affecting the 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 filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the 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.

5. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property 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 **\$Full insurable 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 the policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the 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.

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 the 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.

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.

***WARNING: 12 USC 1701j-3 regulates and may prohibit exercise of this option.**

****The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.**

<p>Trust Deed</p> <p>RVI PROPERTIES INC., as Grantor, and</p> <p>BLY MOUNTAIN RESOURCE MANAGEMENT GROUP, LLC ET AL, as Beneficiary</p>	<p>After Recording return to: Aspen Title & Escrow, Inc. 525 Main Street Klamath Falls, OR 97601 Order No.: 00060638</p>
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CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

Orange

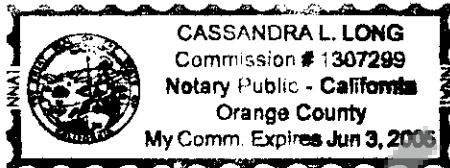
} ss.

On 1/12/05, before me, Cassandra L. Long
 Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")
 personally appeared William V. Tropp
 Name(s) of Signer(s)

personally known to me
 proved to me on the basis of satisfactory
 evidence

to be the person(s) whose name(s) is/are
 subscribed to the within instrument and
 acknowledged to me that he/she/they executed
 the same in his/her/their authorized
 capacity(ies), and that by his/her/their
 signature(s) on the instrument the person(s), or
 the entity upon behalf of which the person(s)
 acted, executed the instrument.

WITNESS my hand and official seal.



Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Trust Deed

Document Date:

1/12/05

Number of Pages:

2

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer

Signer's Name:

Individual
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Attorney in Fact
 Trustee
 Guardian or Conservator
 Other: _____

RIGHT THUMPRINT
OF SIGNER

Top of thumb here

Signer Is Representing:

02801

ADDENDUM TO TRUST DEED

LOT RELEASE PROVISIONS

The Grantor shall be entitled to the release of lots from the lien of this Trust Deed upon prepayment by the Grantor of a portion of the then current unpaid principal balance as follows:

Lot 24 Block 12 – 25% of the unpaid principal balance;

Lot 25 Block 12 – 25% of the unpaid principal balance;

Lot 69 Block 12 – 17% of the unpaid principal balance;

Lot 71 Block 12 – 27% of the unpaid principal balance; and

Lot 72 Block 12 – 6% of the unpaid principal balance.

The payment of a lot release principal prepayment shall be in addition to the monthly installment payments required by the note which is secured by this trust deed.

Upon receipt of a lot release principal prepayment, the beneficiaries shall promptly direct the trustee to reconvey to the Grantor, at Grantor's expense, the lot release by such payment.

Grantor's initials



Beneficiary's initials



Beneficiary's initials

ADDENDUM TO TRUST DEED

02802

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The Grantor shall be entitled to the release of lots from the lien of this Trust Deed upon prepayment by the Grantor of a portion of the then current unpaid principal balance as follows:

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Grantor's initials

Beneficiary's initials

Grantor's initials

Beneficiary's initials