

THIS TRUST DEED, made this 16 day of February, 1977, by and between AMORY BETTLES, PRISCILLA BETTLES, ROBERT BETTLES, GORDON BETTLES, QUINTEN BETTLES and JODY ANN ROBERTS, as Grantors, and ALAN B. HOLMES, as Trustee, and LELAND M. NEELY and RUBY M. NEELY, husband and wife, as Beneficiaries,

W I T N E S S E T H :

Grantors irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

Beginning at the intersection of the Westerly right of way line of Oregon State Highway No. 427 and the North line of Lot 15, Section 7, Township 35 South, Range 7 E.W.M.; thence South 0°57' East along the Westerly right of way line of said Oregon State Highway No. 427, 400 feet to the true point of beginning of this description; thence continuing South 0°57' East 200 feet to a point; thence West 535 feet, more or less, to the shore line of Agency Lake; thence Northerly along said shore line of Agency Lake to a point due West of the point of beginning; thence East 485 feet, more or less, to the point of beginning, being a portion of Lot 15, Section 7, Township 35, Range 7 E.W.M.,

which said described real property does not exceed three acres, 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 said real estate,

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Ten Thousand and No/100ths 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 February 24 19..78

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

- 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.

2. To complete or restore promptly and in good and proper 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 execute such financing statements as may be required by 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; to provide and continuously maintain insurance on the buildings

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

[illegible]

5. To keep said premises free from mechanics' 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.

[illegible]

reinbefore described, as well as
that they are bound for

7. To appear in and defend any action or proceeding purporting to affect or 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 attorney's fees and trustee's attorney's fees; the amount of attorney's fees 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.

They mutually agreed that:

1. 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 the portion of the monies payable as compensation for the property which are in excess of the amount required for reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary. If beneficiary elects to receive the costs, expenses and attorney's fees, applied by it first upon any reasonable costs, expenses and attorney's fees, both in the trial and appellate proceedings, and the balance applied upon the indebtedness of beneficiary to grantor, then the balance shall be paid to beneficiary as secured hereby; and grantor agrees, at its own expense, to execute and execute such instruments as may be necessary in obtaining such compensation, promptly upon beneficiary's request.

2. At all time and from time to time upon written request of beneficiary, payment of its loss and presentation of this deed and the note for

[illegible]

10. Upon any default by grantor hereunder, beneficiary may at any time cause to be levied 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 debt, a writ of attachment against the real and personal property of the indebtedness hereby secured, enter upon and take possession of the real, personal or any part thereof, in its own name, and cause to be sold the same, with the issues and profits, including the interest due and unpaid, and apply the same, less costs and expenses of attachment 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 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.

pursuant to such Note, the grantor hereby assigns, transfers, conveys, releases and discharges to the beneficiary all sums secured by any agreement hereunder, the beneficiary may, at any time, at its option, cause the beneficiary to declare all sums secured hereby immediately due and payable and the beneficiary may, at its option, cause the beneficiary at its election may provided by law for mortgage foreclosures or as a mortgagee, cause the beneficiary to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and file with the county clerk the said recorded his written notes of default and his election to foreclose hereby, whereupon the trustee shall, at the place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.470 to 86.795.

86.740 to 86.792. The trustee at any time prior to five days before the date set by the trust for the sale of the trust assets, the grantor or other person so privileged by ORS 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed or agreement, in obligation secured thereby (including costs and expenses of the trustee in enforcing the terms of the obligation) and the principal and interest thereon, if the principal and interest then due under the terms of the obligation and the attorney's fees not exceeding \$50 per hour of the attorney for the trustee and the principal's attorney in enforcing the terms of the obligation, and such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

14. Otherwise, the trustee shall hold on the date and at the time and place designated in the notice of sale. 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 aforesaid, with or without warranty, as the purchaser may desire, and shall execute and deliver to the purchaser the instrument of sale for the property so sold, but without warranty 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) the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust property, (4) the interests of the beneficiaries of the trust as shown 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. For any reason permitted by law 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 upon conveyance to the successor trustee(s), the trust shall terminate and all title, powers and duties of the trustee(s) named above shall vest with all title, powers and duties of the successor trustee(s). Each such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to this instrument and its place of record, which, when recorded in the County Clerk's Office and its Recorder of Deeds Office, shall constitute notice to the County Clerk or Recorder of Deeds of the appointment in which the property is situated.

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 or 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.

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

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, or a title insurance company authorized to insure title to real property in Oregon.

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

The grantors warrant that the proceeds of the loan represented by the above described note and this trust deed are for business or commercial purposes.

The grantors specifically reserve the right to use of said property and the rents and profits therefrom.

This deed applies to, insures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the note 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 grantors have hereunto set their hands and seals the day and year first above written.

Amory Bettles
Amory Bettles

Priscilla Bettles
Priscilla Bettles

Robert Bettles
Robert Bettles

Gordon Bettles
Gordon Bettles

Quinton Bettles
Quinton Bettles

Jody Ann Roberts
Jody Ann Roberts

STATE OF OREGON) ss.
County of Jackson)

February 14, 1977.

Personally appeared AMORY BETTLES, ROBERT BETTLES, QUINTON BETTLES, PRISCILLA BETTLES and JODY ANN ROBERTS, and acknowledged the foregoing instrument to be their voluntary act. Before me:

June Savage
Notary Public for Oregon
My Commission Expires: 1-19-79

STATE OF OREGON) ss.
County of Jackson)

Personally appeared GORDON BETTLES and acknowledged the foregoing instrument to be his voluntary act. Before me:

Sherly D. Argent
Notary Public for Oregon
My Commission Expires: 9-13-80

STATE OF OREGON; COUNTY OF KLAMATH; ss.

led for record at request of _____
this 22 day of Feb A. D. 1977 at 11:56 o'clock a M., and
duly recorded in Vol. M 77 of Mortgages on Page 3081
6.00
By W. D. MILNE, County Clerk
Hazel Draz