

WITNESSETH:

The Northwesternly 58 feet of Southwesterly 9 inches of Lot 3, all of Lot 4, and the Northeasterly 2 feet and 8 inches of Lot 5, all in Block 28, FIRST ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

sum of **FIFTEEN 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 **March 13,** 19**87**.

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 an amount not less than the insurable value of the buildings, 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 issued, and the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen (15) days prior to the expiration of the policy of insurance now or hereafter placed on the said buildings, the beneficiary may purchase the same at grantor's expense. The beneficiary under any indebtedness secured by insurance policy may be applied by beneficiary to determine, or at option of beneficiary the endorsement amount so collected, or any part thereof, may be released to grantor. Such application of proceeds shall not cure or waive any breach of or notice of default hereunder or invalidate the debt pursuant to such notice.

6. To pay all costs, fees and expenses of this trust including the cost of title search and all 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, any suit for the enforcement of which the beneficiary or trustee may appear, including evidence of title and the trustee's or trustee's attorney's fees, the amount of attorney's fees mentioned in paragraph 7 in all cases shall be determined by the trial court and in the event of an appeal, the appeal shall be taken by the trial court, grantor further agrees to pay any judgment or appellate court shall award reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

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 First Deed Act provides that the parties herunder must be either an attorney who is an active member of the Oregon State Bar, or 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 licensed to do business in the real property of this state, its subsidiaries, affiliates, agents or branches.

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

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
 (a)* primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below).
 (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

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 masculine gender includes the feminine and the neuter, and the singular number includes the plural.

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

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor or such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

(ORS 93.452)

STATE OF OREGON,

County of **KLAMATH****February 14, 1978**

Personally appeared the above named **THOMAS S. CAVENER and VERA A. CAVENER, husband and wife**** and acknowledged the foregoing instrument to be their voluntary act and deed.

(OFFICIAL SEAL)

Before me:

Notary Public for Oregon

My commission expires: **11-2-79**

** and **THOMAS L. CAVENER and CAROL A. CAVENER, husband and wife,**

STATE OF OREGON, County of _____

) ss.

Personally appeared _____

and

who, being duly sworn, each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of _____

_____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon

My commission expires: _____

(OFFICIAL SEAL)

TRUST DEED

(FORM No. 881)

Grantor

Beneficiary

STATE OF OREGON

County of **Klamath**

I certify that the within instrument was received for record on the **15th** day of **February**, 19 **78**, at **2:34** o'clock **P. M.**, and recorded in book **N78** on page **2803** or as file number **43132**.
 Record of Mortgages of said County.
 Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

By _____

Deputy

STEVENS-NESS LAW FIRM, P.C., PORTLAND, ORE.

Fee \$6.00

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the **2nd** day of **March** A.D., 19 **78** at **8:52** o'clock **A** M., and duly recorded in Vol. **M78** of **Mortgages** on Page **3890**.

FEE **no fee**

Wm. D. Milne, County Clerk

By **James H. Melick** Deputy

herewith together with said trust deed, and to _____ estate now held by you under the same. Mail reconveyance and documents to

DATED: _____

19 _____

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.