

TRUST DEED

Vol. ^M78 Page 6358

WITNESSETH:

Lots 18, 19, 20 and 21 in Block 18 of INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of **Twenty-Nine Thousand Four Hundred Eighty-Two Dollars and 05/100** 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 principal and interest hereof, if not sooner paid, to be due and payable **March 31**, 19**79**.

final payment of principal and interest hereof, if not sooner paid, to be due and payable March 31 1975
The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

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.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said 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 said statements 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 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 \$ _____, written in _____.

[illegible]

act done pursuant to such notice.

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 and to pay all of such taxes, assessments and other charges when due, the grantor shall deliver or cause to be delivered to the beneficiary: should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, the beneficiary shall have, at its option, to make payment thereof by direct payment or by providing beneficiary with funds with which to make such payment; beneficiary may, with interest at the rate set forth in the note secured by the promissory note, borrow the sum of \$100,000.00 from the beneficiary and the amount, 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 the covenants hereof and for such payments, with interest as aforesaid, the property hereinafter described, and all sums secured by the payment of the obligation hereinafter described, shall be bound to the grantor, shall be bound to the grantor, and all such payments shall be immediately due and payable with interest as aforesaid, 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.

6. To pay all interest 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 actual incurred.

less actually incurred.

To appeal from and defend any action or proceeding purporting to affect the 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 the deed of trust, to appear and defend, including evidence, the beneficiary's or trustee's attorney's fees, including the attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the trust and in the event of an appeal from any judgment or decree of the trial court, plaintiff or further party shall be responsible for the payment of the attorney's fees in such appeal.

It is mutually agreed that

It is mutually agreed that

8. In the event that any portion of all of said property shall be taken under the right of eminent domain, beneficiary shall have the right to sue for, and 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, be paid to beneficiary, and attorney's fees, applied by grantor in such proceedings, be paid to beneficiary, 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 action and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's demand, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation); without affecting the liability of any person for the payment of the indebtedness, trustee may

(a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, such part of the land or part of the property. The grantee in any of the foregoing may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, or upon a legal receiver to be appointed by a court of competent jurisdiction, take possession of any security for the indebtedness hereby secured, enter upon and take possession of said 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 to the payment of the indebtedness hereby secured, and collect the same, and attorney's fees and expenses of operation and collection of the indebtedness hereby secured, 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

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event, the beneficiary may cause the real property to be sold, mortgaged, encumbered, and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may cause the real property to be foreclosed. If the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may cause the real property to be foreclosed in equity, as a mortgage, if said real property is not so currently used, the beneficiary may cause the real property to be foreclosed in equity. If the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to foreclose the said described real property to the county clerk of the county in which the said real property is located and in the county and place of sale, give notice thereof, whereupon the trustee shall proceed to foreclose this trust deed in the manner provided by law and cause the proceeds of the sale to be paid to the beneficiary in the sum of \$185,876.74 to \$6,795.

13. Should the beneficiary elect to purchase by advertisement and sale, then after default, the grantor to give 30 days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by ORS 87.670, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due on the debt, including interest, including the terms of the obligation and trustee's and attorney's fees not exceeding \$50 (each) other than such portion of the principal as would be due had no default occurred, and in such event, the sale, in which even if the beneficiary should be dismissed by the trustee.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the trust agreement, the trustee shall 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 required by law concerning the property so sold, but without any covenant or warranty, in writing or implied. The recitals in the deed shall be true and correct, but 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 Trustor 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-attorney, (2) to the satisfaction subsequent to the interest of the trustee in the trust deed, any other liens subsequent to the interest of the trustee in the trust deed, and (3) to the grantor or to his successor in interest, entitled to such surplus.

[illegible]

7. 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 trust shall be a party unless such action or proceeding is brought by trustee.

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, or 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 issue title to real property of this state, its subsidiaries, affiliates, agents or brokers, or the United States or any agency thereof.

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

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 93.490)

STATE OF OREGON,

County of Klamath } ss.

March 31, 1978

Personally appeared the above named

Clifford A. Honeycutt

and acknowledged the foregoing instrument to be his voluntary act and deed.

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires 7/21/79

NOTARY PUBLIC-OREGON

My Commission Expires 7/21/79

STATE OF OREGON, County of _____) ss.

Personally appeared _____

and

each for himself and not one for the other, did say that the former is the _____ who, being duly sworn, 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)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____

, Trustee

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

TRUST DEED

(FORM No. 881-1)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 3rd day of April, 1978, at 3:57 o'clock P.M., and recorded in book M78 on page 6358 or as file/reel number 45680 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

Title

By Bertha A. Fitch Deputy

Fee \$6.00