TA/ 38-15643-S

WHEN RECORDED MAIL TO
EQUITABLE SAVINGS AND LOAN ASSOCIATION
Address 212 South Sixth Street
City Klamath Falls
State Oregon 97601
Loan # 205172777

Vol. M78 Page 14828

SPACE ABOVE THIS LINE FOR RECORDER'S USE

51467

DEED OF TRUST

THIS DEED OF TRUST, made this 10th day of JULY, 19 78, between V. JASON HILTON and CHERYL ANN HILTON, husband and wife (GRANTOR), and TRANSAMERICA TITLE INSURANCE COMPANY (TRUSTEE) and EQUITABLE SAVINGS AND LOAN ASSOCIATION, an Oregon corporation, (BENEFICIARY).

Grantor irrevocably GRANTS, BARGAINS, SELLS AND CONVEYS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the real property in the County of KLAMATH State of OREGON described as follows: Lot 9, Block 6, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

which has the address of 2610 SCOTT STREET (Street)
KLAMATH FALLS, OREGON 97601 (City) (State and Zip Code)

together with (1) all interests, easements, rights and privileges now or hereafter belonging to or used in connection with this property, and with all improvements, fixtures, furnishings, flora, appliances and apparatus of any nature now or hereafter attached to, adapted to, located on or used in connection with this property, (2) all interests Grantor may hereafter acquire, and (3) the rents and income thereof. All of the foregoing shall constitute the Trust Property.

This conveyance is to secure payment of all the following: (1) Sums due under a certain promissory note of the same date, executed by Grantor in the sum of TWENTY FIVE THOUSAND THREE HUNDRED AND NO/100 Dollars ($ 25,300.00), payable in 360 monthly payments with the final payment due on the 1st day of AUGUST, 2008, which is the maturity date of this Deed of Trust, (2) all further sums which may be loaned or advanced by Beneficiary to Grantor, or any of them, and (3) any additional sums which may become payable to Beneficiary under the provisions of this Deed of Trust or other security instruments securing this loan.

Unless otherwise provided, all additional sums becoming payable to Beneficiary under this Deed of Trust shall be due immediately and shall bear interest until paid at the rate of 12% per annum or the maximum rate of interest permitted by law, whichever is the lesser.

Each Grantor, jointly and severally, covenants and agrees as follows:

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STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath First Federal

the 12th day of July A. D. 19 78 at 10:26 clock A M., and

duly recorded in Vol. M78, of Deeds on Page 14927

Wm D. MILNE, County Clerk

By Bernetha G. Letsch

Fee $6.00

Joe Davis
1352 E 1st St
Justin Ca. 92680

property, may hire a management service or manager to manage the Trust Property, may pay taxes, assessments, insurance premiums and similar charges, all as it deems appropriate, and may collect the rent and income, including those past due and unpaid, and apply the same, less all costs and expenses of operation, management, repair and collection, including reasonable attorney's fees, upon any indebtedness secured hereby in such order as Beneficiary may determine.

b. Grantor agrees that a receiver may be appointed by a court without regard to the adequacy of the security for the indebtedness or the solvency of Grantor or the presence of waste or danger of loss or destruction of the Trust Property, to possess, manage and control the Trust Property and any personal property in which Beneficiary has a security interest as additional security for this loan and to collect the rent and income thereof and to exercise those rights set forth in section 9 or otherwise allowed by law.

10. Relevant Financial Information. Upon demand, Grantor will provide Beneficiary with operating statement and other financial information relevant to the use, operation and income of the Trust Property, including access to the books and records.

11. Transfer of Property; Assumption; Conditions.

a. This loan is personal to Grantor and not assignable. In making it, Beneficiary has relied on Grantor's credit, Grantor's interest in the Trust Property, and financial market conditions at the time this loan is made. If Grantor transfers or contracts to transfer title to or possession of all or part of the Trust Property, by deed, contract or sale, lease or similar agreement, Beneficiary may declare the entire balance of this loan immediately due and payable.

b. Beneficiary will waive its right under subparagraph 11a. if the following conditions are met: (1) The credit of the third party is satisfactory to Beneficiary; and (2) the third party shall assume full personal liability for payment and performance of the note, Deed of Trust and other security instruments; and (3) a charge for administrative costs is paid to Beneficiary; and (4) if required by Beneficiary, either the interest rate on the secured loan is increased by not more than two (2%) percent, or Beneficiary is paid a lump sum compensation not to exceed two (2%) percent of the loan balance at the time of assumption.

c. Any increase in the interest rate shall entitle Beneficiary to increase the monthly payments so the secured debt will be paid in full by the maturity date of this Deed of Trust. Assumption does *not* release Grantor or any successor in interest from personal liability for payment and performance of the terms and conditions of this loan.

12. Default; Acceleration; Remedies.

a. Time is material and of the essence hereof. If Grantor does not pay the secured indebtedness as provided, or if Grantor does not comply with the terms and conditions of this Deed of Trust, or if a proceeding under any bankruptcy, receivership or insolvency law be instituted by or against any of the Grantors, or if any of the Grantors make an assignment for the benefit of creditors, or if state laws are changed hereafter to impose what Beneficiary may deem to be a substantial tax upon Beneficiary by reason of its interest in this Deed of Trust (unless Grantor may lawfully pay such tax and does so), this Deed of Trust shall be in default. Any default under this Deed of Trust shall constitute a default under the note which it secures and under all other security instruments securing the note. Any default under such other security instruments shall constitute a default under this Deed of Trust. In the event of default, Beneficiary may declare all sums secured hereby immediately due and payable, and this Deed of Trust may be foreclosed and the Trust Property sold in any manner allowed by law, including without limitation, by advertisement and sale under exercise of power of sale, or as a mortgage on real property. Proceeds of a sale pursuant to exercise of the power of sale shall be applied to (1) the expenses of sale, including Trustee's and attorney's fees, and (2) obligations secured hereby. The surplus, if any, shall be paid to persons entitled thereto by law.

b. In the event this Deed of Trust is foreclosed as a mortgage on real property, Grantor, and each of them, consents to a personal deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of the Trust Property, unless such judgment is prohibited by law, and in case of foreclosure, expressly waives (1) any claim of homestead and (2) all rights to possession of the premises during the period allowed by law for redemption.

c. Beneficiary is not obligated to take any action which this Deed of Trust provides it "may" take. Any power given Beneficiary by this Deed of Trust may also be exercised by such agents as Beneficiary may designate, including Trustee.

13. Reconveyance Upon Payment. Upon written request of Beneficiary stating that all sums secured hereby have been paid, surrender of this Deed of Trust and the secured note to Trustee for cancellation and retention and payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this Deed of Trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

14. Substitute Trustee. In the event of dissolution or resignation of the Trustee, Beneficiary may substitute a trustee(s) to execute the trust hereby created, and the new trustee(s) shall succeed to all of the powers and duties of prior trustee(s).

15. Non-Waiver Provisions. Neither forebearance by Beneficiary in exercising any right or remedy hereunder or remedy afforded by law, nor any exercise by Beneficiary or those acting in its interest of any right or remedy, shall cure or waive any default or notice of default, nor shall any of the foregoing be a waiver of or preclude the exercise of any right or remedy. All remedies provided in this Deed of Trust are distinct and cumulative to each other and to all other rights or remedies, and may be exercised concurrently, independently or successively.

16. Waiver by Non-Obligated Persons. Notwithstanding any other provision of this Deed of Trust, any person who executes this Deed of Trust, but not the note secured hereby, shall have no personal liability on the note or for any deficiency judgment which may be obtained upon foreclosure of this Deed of Trust. Such persons jointly and severally waive presentment, demand, protest and all notices and agree that Beneficiary, without notice to them or their consent, and upon such terms as Beneficiary may deem advisable, and without affecting in any way Beneficiary's rights hereunder as against the Trust Property, may:

a. Extend, release, surrender, exchange, compromise, discharge or modify any right or obligation secured by or provided by this Deed of Trust or any other instrument securing this loan, or

b. Take any other action which Beneficiary may deem reasonably appropriate to protect its security interest in the Trust Property.

17. Successors and Assigns. This Deed of Trust applies to, binds and benefits all parties hereto, their heirs, legatees, devisee, administrators, executors, successors, assigns and pledgees. In this Deed of Trust, whenever the context so requires, the singular includes the plural.

18. Notices, Refunds. All notices and reserve account refunds shall be given and paid to Grantor unless this loan has been assumed in accordance with paragraph 11, and Beneficiary has received a properly executed assignment of reserve account(s), not withstanding Beneficiary's receipt and acceptance of payments from a person other than Grantor.

19. Notice. Except for any notice required under applicable law to be given in another manner, any notice to Grantor provided for in this Deed of Trust shall be given by mailing such notice addressed to Grantor at the Property Address or at such other address as Grantor may designate by written notice to Beneficiary.

V. Jason Hilton

Cheryl Ann Hilton

INDIVIDUAL

STATE OF) Oregon
) ss.
County of) Klamath

7/7 19 78

Personally appeared the above named V. Jason Hilton & Cheryl Ann Hilton, husband and wife and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Notary Public for
My commission expires: 4-5-82

CORPORATE

STATE OF)
) ss.
County of)

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Personally appeared and who, being duly sworn, each for himself and not one for the other, 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
My commission expires:

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 11th day of July A.D., 19 78 at 11:02 o'clock A M., and duly recorded in Vol. M78, of Mortgages on Page 14828.

FEE $12.00

WM. D. MILNE, County Clerk
By Bernetha Hetsch Deputy

EQUITABLE SAVINGS & LOAN ASSOCIATION, Beneficiary By