

TRUST DEED

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Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

Lot 2, Block 8, DIXON SECOND ADDITION TO THE CITY OF KLAMATH FALLS,
in the County of Klamath, State of Oregon.

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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 the premises, together with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Twenty Thousand and No/100-----

final payment of principal and interest hereof, if not sooner paid, to be due and payable per terms of note 19

_____ of note _____, 19____

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

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, rules and regulations of the City of New York.

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 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 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 \$.....

insurances, policies, or insurance shall be delivered to the beneficiary as soon as insured; and if the grantor shall fail for any reason to so deliver said insurance and to deliver said policies to the beneficiary at least fifteen days prior to the date of the beneficiary's death, the policies of insurance now or hereafter placed on said buildings collected under any life or other insurance at grantor's expense. The amount of any indebtedness secured hereby and may be applied by beneficiary upon termination, or at option of beneficiary the entire amount so collected shall be released to grantor. Such application or release shall not cure or waive any liability of grantor to the beneficiary and shall not be subject pursuant to such policy, notice of default hereunder or invalidate any

5. To keep the trust 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 before any part of the taxes, assessments and other charges become past due or delinquent and promptly to deliver receipts therefor to Beneficiary; should the grantor fail to make payment of the taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by making 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 secured by said note, shall be added to, and become a part of, the principal of the note secured by said deed, without waiver of any rights arising from breach of this obligation hereof and for such payments, with interest as aforesaid, any of the said Beneficiary may, at its option, demand of the grantor, and the grantor shall, to the extent that he is bound or the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall be immediately due and payable under all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed; and the grantor shall be liable for the same. To pay all costs, fees and expenses of this trust including the cost of recording this deed, as well as the other costs and expenses of the trustee incurred in connection with 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 suit for the foreclosure of this deed, to pay all costs and expenses incurred.

...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 paid 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:

compensation for such services, and all or any portion of the monies payable to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by first upon any reasonable costs and expenses and attorney's fees, in all original and appellate courts, necessarily paid or incurred by beneficiary, hereby, and the balance applied upon the indebtedness to execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its less and presentation of this deed and the note for reimbursement (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 any interest therein; (d) reconvey, without warranty, all or any part of the property to the grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals thereof as the "person or persons conclusively proof of the truthfulness thereof. Trustee's fees for any of the services rendered in this paragraph shall be not less than \$5.00.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, 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 indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sure or otherwise, collect the rents, profits and income therefrom, and sell the same, and apply the proceeds thereof to the payment of said costs and expenses of operation 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.

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 and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose this trust deed in equity, as a mortgage in the manner provided by law for mortgage foreclosures. However if said real property is currently used by the beneficiary at his election may proceed to foreclose this trust deed in equity as a sale in either event the trustee to foreclose this trust deed in equity as a sale and to record the notice of default and the trustee shall record the deed described real property satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person who executed the TRS 86.760, shall pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the mortgage, together with the obligation secured thereby (including costs and expenses of the trust deed and the foreclosure sale) and the principal of the mortgage, together with the interest (including 350¢ each) other than the origination and trustee's and attorney's fees not excluded nor default occurred, and thereby cure the default, in which event the foregoing provisions shall be dismissed by the trustee.

14. Other provisions:

1.5.7. Otherwise, the sale shall be held 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 separate parcels and shall sell the parcel or parcels at the highest price for cash, payable at the time of sale. Trustee shall deliver to the purchaser the cash, in form as required by law conveying property so sold, but without any warrant or warranty, express or implied. The recitals in the deed of any matter of grant or warranty, express or implied, 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) to the obligations secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust and as their interests may appear in the order of their priority and (4) the balance, if any, to the grantor or to his successor in interest entitled to such proceeds.

16. For any reason permitted by law beneficiary may from time to time appoint a successor or successors and a trustee named herein or to any other trustee appointed hereunder. Upon the death of the beneficiary and without the appointment of a successor trustee, the latter shall be vested with the powers and duties of a trustee hereunder. Any trustee named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to the will made by the beneficiary, and the instrument shall be recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, and the recording of the instrument shall constitute conclusive proof of proper appointment of the trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not intended to notify any party hereto of pending sale under any other deed of or of any action or proceeding in which grantor, beneficiary or trustee 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, 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, or the United States or any agency thereof.

