

TRUST DEED

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26809

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

Lot 10, Block 2, Mountain Lakes Homesites

14021 DEED

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained, the sum of FIVE THOUSAND EIGHT HUNDRED SEVENTY-FIVE DOLLARS 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 per terms of note 19

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of principal and interest is due. If the debt is not paid by the date of maturity, the debt becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.

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 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 now or hereafter erected on the said premises against loss or damage by fire and theft, and such other hazards as the beneficiary may from time to time require, in an amount not less than \$ _____, and the amount so collected, or hereafter collected, under any fire or other insurance policy or policies of insurance shall be delivered to the beneficiary as soon as insured, if the grantor or grantors, for any reason, to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense, or the amount collected under any fire or other insurance policy or policies so applied by beneficiary upon any indebtedness then existing of the beneficiary; the entire amount so collected, or may determine, or not determine, the beneficiary; the entire amount so collected, or any part thereof, shall be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any action done pursuant to such notice.

act done pursuant to such contract, shall be a premium free from construction liens and in pay off of taxes, assessments, and other charges that may be levied or assessed upon and against the property, before any part of such taxes and assessments and other charges become past due or delinquent and promptly delivered to the recipient thereof to beneficiary; should the grantor fail to pay any such taxes and assessments and other charges payable by grantor, either in full or in part, the beneficiary shall be entitled to pay such taxes, assessments, insurance premiums, and other charges, and to provide beneficiary with funds with which to make such payment; beneficiary may, at its option, make payment therefor by direct payment, or by the purchase of bonds or other securities, and the amount so paid, with interest at the rate set forth in paragraphs 6 and 7 of this deed, shall be added to the principal of the debt secured by this trust deed, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to the principal of the debt secured by this trust deed, without interest; the beneficiary shall be entitled to enforce the covenants herein provided for such payments with interest as aforesaid, the proper covenants and obligations of the grantor, and the beneficiary shall have the same extent that they are bound to enforce payment of such taxes, assessments and other charges as described, and all such payments shall be made immediately due and payable without notice, and the nonpayment of such taxes, assessments and other charges shall render all sums payable by the grantor to the beneficiary immediately due and payable and shall constitute a breach of this trust deed, and the beneficiary shall be entitled to enforce the same.

6. To pay all costs, fees 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 fees actually incurred.

[illegible]

8. 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 receive the proceeds of such taking, which are in excess of the amount required as compensation for such taking, which are in excess of the amount required as compensation for all reasonable costs, expenses and attorney's fees necessarily incurred by grantor in such proceedings, and also the costs and expenses and attorney's fees applied by it first upon such proceedings, and thereafter the balance of the proceeds both in the hands of the appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the payment of such costs and expenses; and grantor agrees, at its own expense, to take all such action and execute such instruments as may be necessary in obtaining such costs and executing such instrument upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fee and preservation of this deed and the note and endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee in full discharge of its obligations hereunder shall deliver to beneficiary the original of this deed and the note and endorsement.

(a) consent to the making of any map or plat of said property; (b) join in any 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, any part of the property. The grantee, in any reconveyance 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 foregoing 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, by agent or by a receiver to be appointed by a court, cause the property herein described to be sold, conveyed, assigned, or otherwise secured, enter upon and take possession of any and all real property or any part thereof, in its own name sue or otherwise collect the debts and claims of the partnership, and receive the proceeds of the same, issues and profits, including those past due and unpaid, and pay the same, less costs and expenses of collection and collection, including reasonable attorney's fees and disbursements, to the partnership, 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.

[illegible]

13. Should the beneficiary elect to foreclose by advertisement and sale under the power of sale contained in the deed, the trustee shall, at any time prior to five days before the date set by the trustee for the sale, pay to the beneficiary or to the beneficiary's attorney, for the trustee's sale, the grantor or other person so privileged to bid, the sum of \$50.00, plus the terms of the trust deed and the terms of the obligation (including costs and expenses actually incurred by the beneficiary in connection with the foreclosure proceedings, and the attorney's fees not exceeding \$50.00) other than such portion of the principal as would not be due had no default occurred, and the trustee shall, in which event the trustee shall be deemed to have been discharged by the trustee.

10. All foreclosure proceedings shall be dismissed by the trustee.

11. 14. Otherwise, the sale shall be held on the first day of January and the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in several parcels and shall sell the parcel or parcels as he or she determines to be 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. The trustee shall not be liable for the consequences of any error or omission in the express or implied. The recitals in the deed shall be conclusive proof of the facts stated therein. Any person, excluding the trustee, but including the mortgagor 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 to attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) to the interest of the trustee's 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 to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to or by the appointed trustee, the latter shall be vested with all title and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by a deed and recorded. Each such appointment and substitution shall be filed with this trust deed and its place of record, which, when made, shall be the office of the County Clerk or Recorder of the county and the counties in which the property is situated shall be conclusive evidence of proper appointment of the successor trustee. The beneficiary of this trust accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee shall be obligated to notify any party hereto of pending sale and of any other deed or trust or of any action or proceeding in which the beneficiary or trustee is or may be interested, and any proceeding is brought by trustee.

NOTE: The Trust Deed (A-1) provides that the trustees 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.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is law-fully 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 of 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 is not required, disregard this notice. (If the signer of the above is a corporation, use the form of acknowledgment appearing on page 2 of this document.)

STATE OF OREGON, County of Jackson

Personally appeared the above named **J. R. Freeman and Dolores M. Galloway** and acknowledged the foregoing instrument to be their voluntary act and deed.

Relate me:

OFFICIAL SEAL

Notary Public for Oregon

My commission expires: 12-19-77

STATE OF OREGON, County of Klamath

Personally appeared **M. D. Milne** 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 **M. D. Milne** 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: 12-19-77

OFFICIAL SEAL

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: Conveyance of the property of the **Trustee** to the **Beneficiary** of the **Trust** deed.

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: 12-19-77

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		STATE OF OREGON	
(FORM No. 881)		County of Klamath	
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.		I certify that the within instrument was received for record on the 29th day of November, 1978, at 10:59 o'clock A.M., and recorded in book N-78 on page 26809 or as file/reel number 59044.	
Grantor Dore, Dore & Young		Record of Mortgages of said County.	
Beneficiary		Witness my hand and seal of County affixed.	
AFTER RECORDING RETURN TO Klamath County Title Co. Attn. Milly		Mm. D. Milne County Clerk	
26809		By <i>Regina D. Milne</i> Deputy	
1978 DEED		Fee \$6.00	