

**WITNESSETH:**

Lot 5, Block 71, BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS, in  
the County of Klamath, State of Oregon.

Subject, however, to the following:

1. Regulations including levies, liens and utility assessments of the City of Klamath Falls.

now or hereafter appertaining, and the power of attorney with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Two thousand eight hundred fifty and no/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 final payment of principal and interest hereof, if not sooner paid, to be due and payable DEC. 10. 19 83

The date of maturity of the debt secured by this instrument is the date, stated above, on which it becomes due and payable.

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, 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 any and all such 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 prove and continuously maintain insurance on the buildings now or hereafter owned 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 \$ full insurable value of the buildings. After the date of the policy, the beneficiary shall cause the policy to be renewed, and all companies acceptable to the beneficiary, with the beneficiary as soon as insured; if the grantor shall for any reason fail to procure any such insurance, and to deliver said policy to the beneficiary at least fifteen days prior to the expiration of said policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense, as applied by beneficiary under any fire or other insurance policy then in force, and in such order as beneficiary may determine, or as the beneficiary shall deem proper. The beneficiary may upon any indebtedness secured by the beneficiary the entire amount so collected, or may determine, or as the beneficiary shall deem proper, to apply the same to any part thereof to be returned to grantor. Such application or release shall not create or warrant any default or notice of default, hereunder or invalidate any note due hereunder in each 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 said premises, and to pay all taxes, assessments and other charges before any part of such taxes, assessments and other charges become past due or delinquent and promptly pay any of said taxes, assessments or other charges levied or assessed upon said premises to the beneficiary; should the grantor fail to make payment of any taxes, assessments or other charges payable by grantor, either by direct payment or by direct payment of the beneficiary with funds with which to make such payment, the 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 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 the above said, the property hereinbefore described, as well as the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render the entire debt secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

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's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security or interests 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 this deed, to pay all costs and expenses, including the attorney's fees, the closing evidence of title and the recording fee mentioned in this paragraph 7 in all cases shall be paid by the beneficiary or trustee, and the beneficiary or trustee shall be authorized by the trial court and in the event of an appeal from any judgment rendered by the trial court, to defend from and pay such suit as the appellate court may deem reasonable in the beneficiary's or trustee's attorney's fees and costs.

It is mutually agreed that:

It is mutually agreed that:

2. In the event that any portion or all of said property is sold, transferred, encumbered, or otherwise disposed of under the right of eminent domain, then all or any portion of the monies payable right, if it is determined that all or any portion of the amount required to pay all reasonable costs, expenses and attorney's fees incurred by plaintiff in such proceedings, including costs and expenses and attorney's fees, applied for by plaintiff in such proceedings, necessarily paid or incurred by plaintiff in such proceedings, and the balance applied for by plaintiff in such proceedings, shall be paid to the defendant, to take such actions as may 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 full and present value of this deed and the note hereunder (in case of full reconveyance, for cancellation), without affecting the liability of any person by 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, the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantees in any reconveyance shall be described as the "person or persons legally entitled to the property" and the recitals therein of any matters or facts shall be constitutive proof of the truthfulness thereof. Trustee's fees for any of the persons 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 personally, by agent or by a receiver to be appointed by the court, 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 as or otherwise collector of said indebtedness, and may sell the same, with or without publicity, and may sue for the same, less costs and expenses of collection, including reasonable attorney's fees, and may sue for 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 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 as a mortgage in the manner provided by law for mortgage foreclosures. However if said real property is not so currently used, 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 at his election to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall provide written notice of the sale, give notice thereof as required by law and proceed to foreclose this trust deed in the manner provided by law and record the same.

OFS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default of the trustee prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by the trust agreement to sell the property, or the trustee, or the trustee's attorney, ORS 86.760, may pay to the beneficiary or his successors in interest, principal and interest, and the entire amount then due under the terms of the trust, and the trustee's obligation to the beneficiary, and the entire amount of the expenses actually incurred in the foreclosure, and the entire amount of the obligation and trustee's and attorney's fees not exceeding \$50 each other than such portion of the principal as would not have been due had no default occurred, and the entire amount of the interest then due, in which event the trustee shall be discharged by the trustee.

14. 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 the parcel or parcels at one parcel or in separate parcels and for cash, payable at the time of sale. Trustee's duties shall be to deliver to the purchaser its deed in form as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matter of fact shall be conclusive proof of the truthfulness thereof. Any and all claims against the trustee, but including the trustworthiness of the deed, may be purchased 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 any reasonable charge by trustee's attorney, (2) to the obligation of the trust to pay taxes, (3) to all persons having recorded liens or claims against the interest of the trustee in the trust deed in their interests, may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law beneficiary may from time to time appoint a successor to any trustee named herein or to any trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all powers and duties conferred upon the trustee named or appointed herein. Such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to the trust deed and its place of record, which, when recorded in the County of \_\_\_\_\_, Clerk or Recorder of said County, shall constitute the sole evidence of proper appointment of the successor 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 obligated to notify any party hereto of pending sale under any power of deed of trust or of any action or proceeding in which grantor, beneficiary or trustee 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, 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.

87.0 370 4 PM 3 29

27241  
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 EXCEPT a prior Trust Deed to Klamath First Federal Savings and Loan Association which this Second Trust Deed is second and junior, 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 pledgees, 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-Moss Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Moss 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

Nov 29, 1978

Personally appeared the above named Rodney A. Scher and Deborah A. Scher, husband and wife,

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



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)

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 THIS NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(Form No. 97-1)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Lequien & Lequien  
6408 So. 6th St.  
Klamath Falls, OR 97601

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 4th day of December, 1978, at 3:29 o'clock P.M., and recorded in book M78 on page 27240 or as file/roll number 59258

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Mr. D. Milne

County Clerk

By Jacqueline J. Mettler Title Deputy

Fee \$6.00