

TRUST DEED

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and

in

Lot 6, Block 4, SECOND ADDITION TO PINE GROVE PONDEROSA, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

together with all and singular the tenements, hereditaments and appurtenances thereto in anywise by law or custom annexed or attached unto the premises above described now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter put upon the premises, unto the said grantee, his heirs and assigns forever, together with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of ----- **NINE THOUSAND** and no hundreds ----- 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 January 1, 1981, on which the final installment of said note becomes due and payable.

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.

(c) The land or other 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 observe and comply with all laws, ordinances, regulations, covenants, conditions and restrictions applicable to said property, and to answer to requests, to

not to commit or permit the building to be destroyed, damaged, or destroyed thereon, and pay when due, ordinances, regulations, covenants, conditions and restrictions, and to comply with all laws, rules, regulations, orders, decrees, judgments, and decrees affecting said property; if the beneficiary is a corporation, to cause the corporation to file with the Uniform Commercial Code in executing such financing statements and to pay for filing same in the State of California as the beneficiary; to cause the beneficiary to pay for the recording of the financing statement in the public offices, as well as the cost of all lien searches by the proper public officers or searching agencies as may be deemed desirable by the beneficiary; to cause the beneficiary to continuously maintain insurance on the building in the amount of the full value of the building, and to cause the beneficiary to

[illegible]

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 by any part of such taxes, assessments and other charges become payable by or delinquent and promptly deliver to the beneficiary, should the grantor fail to make payment by grantor, either premiums, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to pay such payment, beneficiary may, at the rate set forth in the note secured by this deed, advance to the grantor the sum of such amount as may be required and the amount so paid, with interest at the rate set forth in paragraphs 6 and 7 hereby, together with interest, shall become a part of the debt secured by this trust deed, shall be a lien of any rights arising from the deed, as aforesaid, the property, and for such payments, with interest, the grantor, shall be bound to the extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable as herein described, and all such payments shall, at the option of the beneficiary, notice, and the nonpayment by this trust deed immediately due and payable and render all sums secured by 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, participate in the execution of any rights or powers of beneficiary or trustee and in any suit, affect the execution of any rights or powers of beneficiary or trustee, or appear, including the execution of any rights or powers of beneficiary or trustee, in any suit, action or proceeding in which the beneficiary's or trustee's attorney appears for any suit for the foreclosure of the mortgage, the beneficiary or trustee shall be entitled to recover from the lender the reasonable attorneys' fees and costs, including evidence of attorneys' fees mentioned in this paragraph, in all cases shall be awarded to the beneficiary or trustee and in the event the lender appeals from any judgment or order of the court in favor of the beneficiary or trustee, the lender shall be liable for the trial court's costs and the beneficiary or trustee shall be liable for the appellate court's costs. The lender further agrees to pay such sum as the beneficiary or trustee deems of the trial court's judgment reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

5. 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 require that all or any portion of the money payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees, and to be paid to beneficiary and, incurred by either party in such proceedings, shall be paid to beneficiary and, applied by it first upon any reasonable costs and expenses and attorney's fees, and then the balance applied upon the indebtedness of beneficiary in such proceedings, and, thereafter, at its own expense, to take such steps as may be necessary to secure and execute such instruments as shall be necessary in obtaining such compensation as may be due to beneficiary.

9. At any time and from time to time upon written request of bene-
ficiary, 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

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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 insurance policies or compensation 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.

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14. Otherwise, the sale shall be held on the date and at the time and all due legal proceedings shall be dismissed by the court and the time and place designated in the notice of sale and the trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels sold at auction to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenants or warranties, express or implied. The recitals in the deed of said sale shall be conclusive proof of the truthfulness thereof. IN WITNESS WHEREOF, the undersigned, trustee of said trust, has hereunto set his hand and seal of office this 14th day of

15. When the grantor 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) the obligation secured by the trust deed, and (3) to all persons entitled to the principal of the trust deed in the order of their priority and (4) the having recorded liens. If there is any surplus in interest of the trust deed as their interest may appear in the order of their priority entitled to such surplus, if any, to the grantor or to his successor in interest entitled to such surplus, if any, to the grantor or to his successor in interest may from time to time.

Section 16. For any reason permitted by law, beneficiary may terminate herein or to any time appoint a successor or successors to any trust created herein or to any successor trustee appointed hereunder; provided, however, that if the beneficiary or beneficiaries named herein or to any successor trustee appointed hereunder, the latter shall be vested with all powers and duties conferred upon any trustee or trustees appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by the beneficiary, containing reference to this trust agreement and to the County of _____, wherein the property is situated, and filed in the Clerk of Recorder of the county of _____ as the successor trustee.

17. Trustee accepts _____ as a true and correct copy of the public record as provided by law. Trustee is not obligated to certify any party hereto of pending sale under any deed or other deed of record as to the validity of the deed or the authority of the beneficiary of the trust to execute any action or proceeding in which the beneficiary of the trust is 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.

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 for a grantor who is a natural person, and 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.)

STATE OF OREGON,

County of Klamath } ss.

January 19, 1979

Personally appeared the above named

R. W. Straus

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

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 8-23-81

(ORS 93.490)

STATE OF OREGON, County of _____) ss.

Personally appeared _____, 19____

_____ 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 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

Mountain Title Co.

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 19th day of January, 1979, at 11:51 o'clock A.M., and recorded in book M79 on page 1651 or as file/reel number 61369 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne
County Clerk

By Burton B. Keith Title Deputy

Fee \$6.00