

29th day of
JOEL MATEO,

April 1979, between

KLAMATH COUNTY TITLE CORPORATION, an Oregon corporation

and KLAMATH FALLS FOREST ESTATES #1, a partnership, as Beneficiary,
WITNESSETH:

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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 21, Block 11, Klamath Falls Forest Estates Highway 66 Unit,
Plat No. 1, as recorded in Klamath County, Oregon.

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 or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of THREE THOUSAND TWO HUNDRED AND FORTY DOLLARS 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 sum of 19 86 Dollars, with interest hereof if not sooner paid, to be due and payable February 12th, 19 86 installment of said note.

final payment of principal and interest hereof, if not sooner paid, to be 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. 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 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

and amount not less than \$, not applicable to the latter; all companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be issued to the beneficiary as soon as insured; if the grantor or for any reason to procure any such insurance and to pay the said policies to the beneficiary, at least, fifteen days prior to the payment of said policies to the beneficiary, or heretofore placed, any and every provision of any policy of insurance now or heretofore placed, and the amount of the beneficiary may procure any other insurance policy may be applied by beneficiary collected under any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount of the proceeds of any part thereof, may be released to grantor. Such application or release shall not cure or waive any breach or notice of default hereunder or invalidate any provision to such 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, the grantor hereby agrees that any and all taxes, assessments and other charges become past due or delinquent and promptly deliverable to the beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, or liens payable by grantor, either directly or indirectly, the beneficiary may, at its option, make payment thereof by direct payment or by tendering the sum of the taxes, assessments and other charges amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraph 4 hereof, to the trust deed, shall be added to and become a part of the debt secured by this trust deed; without waiver of any covenants, with interest as aforesaid, the proper covenants hereof and described, as well as the grantor, shall be bound to the trust hereinbefore described, and the grantor shall be bound to the obligations hereof, and all such payments shall be immediately due and payable to the beneficiary on notice, and the nonpayment thereof shall constitute a breach of the trust deed immediately due and payable and render all sums secured by this trust deed immediately due and payable and constitute a breach of the trust deed. The trustee of this trust shall be authorized to file title search as well as the other costs and expenses of the trustee in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred. The trustee shall defend any action or proceeding purporting

lees actually sue. 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 any suit for the foreclosure of the mortgage, to pay all costs and expenses, including attorney's fees, and the beneficiary or trustee's attorney's fees; it is understood and agreed that the attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the grantor or grantors, and in the event of an appeal, the appellant shall be liable for the trial court, grantor further agree to pay such sum as the appellate court shall adjudge reasonable as the beneficiary or trustee's attorney's fees.

It is mutually agreed that:

[illegible]

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note endorsement (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 charge thereon; (d) reconvey; and (e) execute and acknowledge any instrument, the granting of which the above recited warranty, all or any part of the property. The granting of the above recited warranty 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 services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor, hereunder, beneficiary may at any time without notice to 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 sue or otherwise enforce the same, and collect the same, and apply the same, issues and profits, including the proceeds of any sale, to the satisfaction of the indebtedness hereby secured, and in such case may apply the same, less costs and expenses of collection 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 event, and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may elect to foreclose this trust deed in equity, as a mortgage inasmuch as the property is not so currently used, the beneficiary. However, if the property is so currently used, the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or elect the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell and the trustee shall proceed to sell the property hereunder by public auction hereupon described real property to satisfy the obligations secured hereby and hereupon 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 86.755.

13. Should the beneficiary elect to foreclose by advertisement and sale, then alter default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or any person so privileged by ORS 86.760, may pay to the trustee the amount of the debt, together with the interest thereon, plus the amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50. each) other than such portion of the debt as the trustee would not be due had no default occurred. If the beneficiary fails to do so, the trustee, in enforcing the terms of the obligation, shall be deemed to be acting as agent for the grantor and shall be deemed to be disbarred by the trustee.

14. Otherwise, the sale shall be held on _____ and at the time and place designated in the _____ The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels a) to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by _____ the property so sold, but without any _____ express or implied. The recitals in the deed, _____ matters of fact shall be conclusive proof of the truthness 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 the sale for the payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee as attorney; (2) the obligation secured by the trust deed; (3) to all persons having recorded liens subsequent to the interest of the trustee in the property; and (4) to the beneficiaries of the trust. If there is a 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 or successors as any trustee named herein shall deem appropriate; provided, however, that such appointment shall be made by deed and without consideration, and the latter shall be vested with all title and interest conveyed to and conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by deed and instrument executed by beneficiary, containing reference to this trust agreement and its place of record, and filed in the office of the County Clerk or Recorder of said county or counties in which the property is situated. The beneficiary shall execute and deliver to the County Clerk or Recorder a conclusive proof 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 obligated to notify any party hereto of pending sale under any other deed, trust or of any action or proceeding in which grantor, beneficiary or trust 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.

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 (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 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.)

(ORS 93.490)

STATE OF OREGON, CALIFORNIA)
County of VENTURA) ss.
October 29, 1979

Personally appeared the above named

Joel V. Mateo

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

(OFFICIAL SEAL)

Before me, Roberta Blumberg
Notary Public for Oregon, California
My commission expires: Oct. 14, 1983

ROBERTA BLUMBERG
NOTARY PUBLIC - CALIFORNIA
COUNTY OFFICE

STATE OF OREGON, County of) ss.
October 29, 1979

Personally appeared

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.

Notary Public for Oregon
My commission expires:

(OFFICIAL SEAL)

TRUST DEED

(FORM NO. 881)

Joel Mateo

Grantor
Klamath Falls Forest Estates #1

a partnership

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 19th day of November, 1979 at 1:39 o'clock p.m. and recorded in book M79 on page 27107 or as file number 77053. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

Title
By Roberta Blumberg Deputy
Fee \$7.00

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

When recorded return to:

Escrow Department

Klamath Falls Forest Estates

1801 Century Park West

Los Angeles, California 90067

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: Trustees

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: October 29, 1979

KEYWAIN COPYLITE CORPORATION

THIS TRUST DEED

JOEL V. MATEO

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.