

WITNESSETH:

Lot 8, Block 3, Unit 1, Klamath Falls Forest Estates Highway 66 Plat No. 1
As recorded in Klamath County, Oregon

[illegible]

final payment of principal and interest hereof, if not sooner paid, to be due and payable on the date of the final installment of said note.
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; and 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 the restrictions affecting said property; if the beneficiary so request, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require; and to pay, or to cause to be paid, all taxes, charges, costs, expenses, interest, and attorney's fees, including the cost of 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 situate 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 \$..... written in and under the signature of the beneficiary, to the beneficiary, as soon as insured; policies of insurance shall be delivered to the beneficiary as soon as insured; and if the grantor shall fail 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. The amount collected under any life or other insurance policy may be applied by the beneficiary upon the indebtedness secured hereby and in such order as the beneficiary may determine, or at option of beneficiary the entire amount so collected, or may, at any time, or at option of beneficiary, be applied to the payment of any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To, and in consideration of, 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 such proceeds are distributed, the assignments and other charges become past due or delinquent, the trustee shall promptly deliver receipts therefor to beneficiary; should the trustee fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either before or after the date of the option to make payment thereof, the trustee shall make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest as herein described in paragraphs 6 and 7 of this hereby, together with any sums secured by this trust, shall be added to the trust debt, shall be added to and become a part of the debt secured by this trust deed, and, without waiver of any rights arising from breach of any of the trust provisions hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as security for the payment of the obligation herein secured, shall be subject to the payment of the obligation herein secured, and the same extent that they are secured for the payment of the obligation herein described, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed immediately due and payable and render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed and expenses of this trust including the cost of title search, legal fees and the other costs and expenses of the trustee in carrying out this obligation and 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, rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including actions or proceedings for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned 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 in such appeal.

It is mutually agreed that:

8. In the event of 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 monies payable right, if it so elects, to require that all or any portion of the amount required as compensation for such taking, which are in excess of the necessarily paid or to be paid for all reasonable costs, expenses and attorney's fees, be necessarily paid or incurred by grantor in such proceedings, shall be necessarily paid to beneficiary and shall be first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, and the balance applied upon the indebtedness beneficiary in such proceedings, and grantor agrees, at its own expense, to take such actions secured hereby; and grantor agrees, at its own expense, to take such actions and execute all instruments as shall be necessary in obtaining such compensation, and to apply upon beneficiary's request.

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 for endorsement (in case of full reconveyances for cancellation), without alleging the liability of any person for the payment of the indebtedness, trustee may

(c) consent to the making of any map or plat of said property; (d) join in granting any easement or creating any restriction thereon; (e) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (f) reconvey, without warranty, any part of the property. The grantee, in any reconveyance, shall be described as the "person or persons" who are the "person or persons" and the recitals therein of any matters or facts shall be so worded as to constitute a full and complete proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall not exceed the amount of the fee for the deed. The cost of the taxes mentioned in this paragraph shall be not less than \$_____. The cost of the title insurance shall be not less than \$_____.

[illegible]

SECTION 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, 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 the real property is not so currently used, the beneficiary at his option may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by legal execution. In the latter event the beneficiary or the trustee may elect to sell the cause to be recorded, his written notice of default and sales secured hereby, where said described real property to satisfy the indebtedness 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 by law and proceed to sell the real property secured hereby, and sale

13. Should the beneficiary elect to foreclose by advertisement and sale provided in ORS 86.010, to be held for five days before the date set by the lender, then after default at any time prior to five days before the date set by the trustee for the trust's sale, the grantor or other person so privileged by the trust agreement to sell the property to the beneficiary or his successors in interest, respectively, shall pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the loan, including all interest, taxes, fees, costs and expenses actually incurred in enforcing the obligation secured thereby (including the trustee's and attorney's fees not exceeding \$50 each) other than such portion of the principal as would be due had no default occurred, and thereby cure the default, in which event the beneficiary shall be deemed to have elected to foreclose by advertisement and sale.

[illegible]

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 the trustee's administration, (2) the compensation of the trustee and a reasonable fee to the trustee's attorney, (3) to the obligation secured by the trust deed of the trustee in the trust having recorded liens subsequent to the date of the interest in the property conveyed, and (4) the deed as their interests may appear in the order of their priority and (5) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

[illegible]

17. Trustee accepts this record as provided by law. Trustee is not acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee is involved, 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) ss.

County of ~~San Luis Obispo~~)

October 25, 1979

Personally appeared the above named

Theresa Lemon

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

Before me:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 6-17-83

OFFICIAL SEAL
JACQUELINE J. POWERS

STATE OF OREGON, County of) ss.

Personally appeared

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.

Notary Public for Oregon

My commission expires:

(OFFICIAL SEAL)

TRUST DEED

(FORM No. 881)

SAN LUIS OBISPO COUNTY
My comm. expires 6-17-83

STATE OF OREGON

County of

I certify that the within instrument was received for record on the

day of

at

in book

or as file number

Record of Mortgages of said County.

Witness my hand and seal of

County affixed.

Title

Deputy

By

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

Theresa Lemon
1801 Century Park West
P.O. Box 100

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:

1979

MAIL ADDRESS:

TRUSTEE

TRUSTEE

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.