

TRUST DEED

Billy Burns Waldon, Jr. and
Pamela JoAnne Waldon

Mortgage Bancorporation

LOAN NO. 10159

From the Office of
MORTGAGE BANCORPORATION
P. O. Box 230
Salem, Oregon 97308
Phone 363-3151

STATE OF OREGON, County of) ss.

I certify that the within instrument was received for record on the
day of _____, 19____, at _____ o'clock
M., and recorded in book _____ on page _____, Record of
Mortgages of said County.

Witness my hand and seal of County affixed.

County Clerk-Recorder

By _____

Deputy

THE GRANTOR, BILLY BURNS WALDON, JR. AND PAMELA JOANNE WALDON, husband and wife

THE TRUSTEE, KEY TITLE COMPANY

AND THE BENEFICIARY, MORTGAGE BANCORPORATION, an Oregon corporation,

AGREE AND WITNESSETH THAT:

THE GRANTOR CONVEYS to Trustee, its successors and assigns, IN TRUST, WITH POWER OF SALE, the following described real property, which is not currently being used for agricultural, timber or grazing purposes:

Lot 21 in Block 10, Oregon Shores Subdivision Tract 1053, in the County of Klamath, State of Oregon, as shown on the Map filed on October 3, 1973 in Volume 20, pages 21 and 22 of Maps in the office of the county recorder of said county.

TOGETHER WITH all and singular the tenements, hereditaments, rights, rights of way, easements, privileges and appurtenances thereunto belonging, or in anywise appertaining (all as part of the premises hereby conveyed) which shall be deemed to include but not be limited to (a) all rents, issues, profits, damages, royalties, revenue and benefits therefrom, subject, however, to any right, power and authority hereinafter given to and conferred upon Beneficiary to collect the same; (b) all buildings, improvements, fixtures and equipment (whether or not annexed thereto) now or hereafter used in connection therewith; (c) all water and water rights (whether riparian, appropriative or otherwise and whether or not appurtenant) in or hereafter related to or used in connection with said property; and (d) all accretions, additions and substitutions thereto.

For the Purpose of Securing:

One: Payment of the indebtedness evidenced by a promissory note (and any renewals, extensions, modifications or increases thereof), of even date herewith, in the principal sum of

FOUR THOUSAND NINE HUNDRED FIFTY AND NO/100 - - (\$ 4,950.00)
executed by Grantor and delivered to Beneficiary, together with interest thereon and other charges as provided by said note, which is made a part hereof by reference payable as provided therein. All due and payable on or before January 1, 1983.

Two: Payment of additional advances, and interest thereon, which may be made by Beneficiary as provided by paragraph 6 hereof.

Three: Payment of all other moneys herein agreed or provided to be paid by Grantor.

Four: Performance of each agreement of Grantor herein contained or incorporated herein by reference.

GRANTOR COVENANTS AND AGREES:

1. That Grantor is the owner in fee simple of said property and is entitled to possession thereof; that Grantor has the right to convey the same in trust with power of sale; that it is free from encumbrances, except as shown above; that Grantor will keep the same free from all liens and encumbrances, including those of record, whether legal or otherwise; that Grantor will warrant and defend the same forever against all claims and demands whatsoever; that Grantor will pay said notes according to the terms thereof; that Grantor will pay before delinquent all taxes and assessments that may be levied or assessed on the property; that Grantor will not use said property for any unlawful purpose and will comply with all laws, regulations, restrictions and conditions affecting said property; that Grantor will complete all buildings in the course of construction, or to be constructed, within ten months from the date hereof; that Grantor will keep all buildings in good repair and continuously insured against fire, with special form endorsement, and other hazards to the satisfaction of the Beneficiary and in a sum not less than the full insurable value thereof, all policies of insurance with premiums paid and to be payable, in case of loss to Beneficiary, and to be in the companies satisfactory to it. Beneficiary is hereby irrevocably appointed attorney-in-fact for Grantor to make proof of loss or damage under said policies, and adjust, sue for, or compromise any claim thereunder to collect all proceeds therefrom, and at its option, apply any insurance proceeds to the indebtedness hereby secured or to rebuilding or restoring the premises, but any such application or payment shall not cure or waive any default hereunder or invalidate any acts of Beneficiary taken upon any default. Should the Grantor fail to keep any of the foregoing covenants, Beneficiary may, at its option, carry out the same and all of its expenditures therefor shall bear a delinquency charge of 1½% per month from the date expended until repaid, be repayable by Grantor on demand and shall be secured by this Trust Deed, and Beneficiary may, at its option, sue to collect all or any part of the aforementioned expenditures without foreclosing this Trust Deed and without affecting its right to foreclose this Trust Deed at any future time. In any such suit Grantor agrees to pay all costs and reasonable attorney's fee. Beneficiary shall be the sole judge of the validity of any encumbrance, tax or easement against the property.

2. That Grantor shall not sell all or any part of the property or any interest therein without first giving written notice and obtaining written consent of the Beneficiary, which will be subject, at its option, to the Purchaser: (a) filling out and signing the Beneficiary's financial statement and loan application, (b) agreeing to assume and pay the Trust Deed and note, (c) paying a transfer fee not to exceed 2% of the original amount of the Trust Deed, and (d) agreeing to increase the stated interest rate in this Trust Deed by an amount not to exceed 2%. The Beneficiary's consent will also be conditioned to approval of the Purchaser's credit. Further prior to the alteration, remodeling, addition or removal of any building or timber or minerals, Grantor will first give written notice and obtain the written consent of the Beneficiary. These covenants are specifically agreed to be material conditions of this Trust Deed and any breach thereof shall give the Beneficiary the right to exercise any remedy provided it. Any allowed transfer shall not operate to release or modify the obligations of any Grantor or successor Grantor to this Trust Deed.

3. That all of the rents, issues and profits of said property and all leases, rental agreements and the lessor interests of Grantor are hereby assigned to Beneficiary as further security for the payment of the indebtedness and performance of the obligations, covenants, promises and agreements secured hereby, the Grantor reserving the right, prior to any default herein, to collect and retain such rents, issues and profits but not otherwise. The Grantor agrees to deliver to Beneficiary on demand executed and assigned copies of all such leases or rental agreements. In case default be made in payment of any indebtedness secured hereby or in performance of any of Grantor's agreements herein contained, Beneficiary shall be entitled at any time without notice, in its sole discretion, either by its agents, attorneys, employees, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, to enter upon and take possession of and rent the above property or any part thereof, and to do and perform any acts that Beneficiary may deem necessary or proper to conserve the value thereof, and to collect and receive all rents, issues and profits thereof, including those past due and unpaid as well as those accruing thereafter. Grantor further agrees that Beneficiary may also take possession of, and use, any and all personal property contained in said property and used by Grantor in the rental or leasing of said property or any part thereof. Beneficiary or receiver may apply all such rents, issues and profits collected or received by it in the manner hereinafter specified and agreed in respect to proceeds of Trustee's sale of said property, or any part or all of such moneys may be released by Beneficiary at its sole option. The expense (including receiver's fees, if any, and compensation to any agent appointed by Beneficiary, costs to Beneficiary, including reasonable personnel time charges, as well as attorney fees, costs and disbursements) incurred in taking possession, renting, and effecting such collection, shall be deemed a portion of the expense of this trust secured hereby. Neither the entering upon and taking possession of the said property nor the collection of such rents, issues and profits and the application or release thereof as aforesaid, shall cure or waive any default or Notice of Default hereunder or invalidate any act done pursuant to such Notice.

4. That Grantor hereby assigns to Beneficiary all sums paid or damages awarded for or by reason of any taking, condemnation or acquisition during the existence of this Trust Deed, whether or not by litigation, by any public authority, person or corporation, of title to or any interest in all or any part of the above described real property, Beneficiary to apply such amounts as it chooses to the indebtedness hereby secured and to pay any amount not so applied to Grantor, but such application or payment shall not cure or waive any default hereunder or invalidate any acts of Beneficiary or Trustee taken upon any default.

5. That, without affecting the liability of any person, including Grantor (other than any person released pursuant hereto), for the payment of any indebtedness secured hereby, and without affecting the lien of this Trust Deed upon any property not conveyed in pursuance hereof, Beneficiary and Trustee are respectively authorized and empowered as follows: Beneficiary may at any time, and from time to time, either before or after the maturity of said note, and without notice (a) release any person liable for the payment of any of the indebtedness, (b) make any agreement extending the time or otherwise altering the terms of payment of any of the indebtedness, (c) accept additional security therefor of any kind, (d) release any property, real or personal, securing the indebtedness, (e) join in granting any easement thereon or in creating or releasing any covenants restricting use or occupancy thereof, (f) reconvey, without warranty, any part of said property, and, (g) join in any agreement subordinating the lien or charge hereof.

6. That upon the request of the Grantor, or his successors in ownership of the land, the Beneficiary may hereafter, at its option, at any time before full payment of the indebtedness secured hereby, make further and additional advances to the Grantor or said successors in ownership; and the same, with interest and late charges, shall be secured by this Trust Deed; provided that if the Beneficiary, at its option, shall make further advance or advances as aforesaid, the Grantor or said successors in ownership execute and deliver to the Beneficiary a note and agreement for additional advances to evidence the same, bearing such other terms as the Beneficiary shall require.

7. That in any suit to foreclose this Trust Deed or in any suit or proceeding in which Beneficiary or Trustee is obliged to defend or protect the lien hereof, or in which Beneficiary or Trustee is a party, or on any appeal thereof, and the above described real property or any part thereof is the subject matter thereof, including suits to quiet title or for condemnation or partition of the whole or part of said property, or any interest therein, Grantor agrees to pay to Beneficiary or Trustee all costs and a reasonable sum as attorney's fees and the cost of searching records and evidencing title as may necessarily be incurred in foreclosing this Trust Deed or defending the same, or participating in any suit or proceeding above referred to, all sums expended by Beneficiary or Trustee under the terms of this Trust Deed, not then repaid, and all costs, including reasonable personnel time charges and delinquency charges as provided in the note, said sums to bear a delinquency charge of 1 1/2% per month until repaid.

8. That time is material and of the essence hereof and upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the Beneficiary may declare all sums hereby immediately due and payable. In such an event, Beneficiary 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 shall execute and cause to be recorded its written notice of default and its election to cause said property to be sold to satisfy the obligations secured hereby, whereupon the Trustee shall proceed as provided by ORS 86.740 to 86.795. After the lapse of such time as may then be required by law following the recording of said Notice of Default, and Notice of Sale having been given as then required by law, Trustee, without demand on Grantor, shall sell said property at the time, and place fixed by it in said Notice of Sale, either as a whole or in separate parcels, and in such order as Beneficiary may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portions of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee or Beneficiary may purchase at such sale. After deducting all costs, fees, and expense of Trustee, Beneficiary, Attorney and of this Trust, including cost of searching records and evidencing title in connection with sale, Trustee shall apply the proceeds of sale to the payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at ten percent per annum; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

9. If after default and prior to five days before the time and date set by the Trustee for the Trustee's sale, the Grantor or other person so privileged by ORS 86.760 pays the entire amount then due under the terms of this Trust Deed and the obligation secured thereby, other than such portion of the principal as would not then be due had no default occurred, and also pays to the Beneficiary all the Beneficiary's and Trustee's costs and expenses incurred up to said time in enforcing the terms of the obligation together with Trustee's and Attorney's fees not exceeding \$50.00 each, such default shall be cured. That acceptance by Beneficiary of any sum from anyone in payment, or part payment, of any indebtedness secured hereby, after the same is due or after the recording of a Notice of Default, shall not constitute a waiver of the right to require prompt payment, when due, of all other sums so secured, nor shall such acceptance cure or waive any remaining default or invalidate any act or sale held pursuant to such notice for any such remaining default, or prejudice any of the rights of Beneficiary under this Trust Deed.

10. In the event any two consecutive quarterly tax payments are delinquent, or the fire insurance premium is not paid prior to the anniversary date, then in the same single payment, and in addition to the payments to principal and interest, Grantor shall first pay to Beneficiary, to be held in trust, a sum as estimated by Beneficiary equal to the next due taxes, special assessments and premiums for hazard insurance that affect the property described herein and/or are required by Beneficiary, less all sums already paid therefor, divided by the number of months to elapse before one month prior to the date such taxes, assessments and premiums become due, so that Beneficiary may apply such reserves to the payment of such taxes, assessments and insurance premiums when due or in advance, at its option. Beneficiary may apply any such reserve it deems surplus to the reduction of the indebtedness secured.

11. That Beneficiary may, at any time Beneficiary may desire, appoint another Trustee in the place and stead of said Trustee or any successor in trust, and the title herein conveyed to said Trustee shall be vested in said successor, which appointment shall be in writing and shall be duly recorded in the mortgage records of the county or counties in which this Trust Deed is recorded; and that the trusts herein created are irrevocable and accepted upon recording as provided by law.

Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Trust Deed and said Note to Trustee for cancellation and retention and upon payment of Grantor of its fees, Trustee shall reconvey, without warranty, the estate in the premises then held by Trustee. The Grantee in such reconveyance may be designated and described as the "person or persons legally entitled thereto", or by other appropriate terms.

This Trust Deed and Note secured hereby shall inure to and bind the legal representatives, heirs, successors and assigns of the parties hereto, and shall be so construed that the use of the singular number shall include the plural, the plural the singular, the use of the masculine gender shall include the feminine gender, and shall likewise be so construed as applicable to and include a corporation or corporations or partnership or partnerships, that may be a party or parties hereto, with any corporate signature to be made pursuant to the authority of its board of directors. The term Beneficiary shall mean the owner and holder of the note secured hereby, whether or not named as Beneficiary herein. The term "Trust Deed", as used herein, shall mean the same as, and be synonymous with, the terms "Deed of Trust" and "Trust Deed" as used in the laws of Oregon relating to Deeds of Trust and Trust Deeds. The invalidity of any one or more covenants, phrases, clauses, sentences or paragraphs of this Trust Deed shall not affect the remaining portions of this Trust Deed or any part thereof and this Trust Deed shall be construed as if such invalid covenants, phrases, clauses, sentences or paragraphs, if any, had not been inserted herein. This Trust Deed is to be construed according to the laws of the State of Oregon.

DATED: November 15, 1979 December 11, 1979

SIGNATURE OF GRANTOR

Billy Burns Waldon, Jr.
Billy Burns Waldon, Jr.

Pamela JoAnne Waldon
Pamela JoAnne Waldon

STATE OF OREGON, COUNTY OF

Personally appeared the above-named Billy Burns Waldon, Jr. & Pamela JoAnne Waldon and acknowledged the foregoing instrument to be their voluntary act.

Before me:

Notary Public for Oregon

My Commission expires: 12-19-80

Personally appeared,

who, being sworn, stated that the

of the corporation and that the seal affixed hereto and that this Trust Deed was voluntarily signed and sealed in behalf of the corporation by authority of its Board of Directors,

Before me:

Notary Public for Oregon

My Commission expires:

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

STATE OF OREGON; COUNTY OF KLAMATH; ss. Trustee

I hereby certify that the within instrument was received and filed for record on the 19th day of December A.D., 1979 at 3:50 o'clock P.M., and duly recorded in Vol. 1179 of Mortgages on Page 29169.

FEE \$7.00

WM. D. MILNE, County Clerk

By *Bernard Phelps* Deputy