

TRUST DEED

4750



THIS TRUST DEED, made this 14th day of March, 1980, between
PATRICK D. RATLIFF and MICHELLE A. RATLIFF, husband and wife,

as Grantor, PARKS & RATLIFF, Attorneys at Law, as Trustee, and
DONALD RATLIFF and LUANA M. RATLIFF, each to an undivided one-half interest,
as Beneficiary.

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property
in Klamath County, Oregon, described as:

Farm Unit "Q", according to the Farm Unit Plat, or the Lots 7, 19 and
21 and the West half of Lot 10 of Section 14, Township 41 South,
Range 11 East, W.M.

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 connec-
tion with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the
sum of One Hundred Thousand and 00/100

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

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, condi-
tions and restrictions affecting said property; if the beneficiary so requests, to
join in executing such financing statements pursuant to the Uniform Comm-
ercial 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
an amount not less than \$, written in
company acceptable to the beneficiary, with loss payable to the latter; all
policies of insurance shall be delivered to the beneficiary as soon as insured;
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 expira-
tion 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 fire or other insurance policy may be applied by benefi-
ciary upon any indebtedness secured hereby and in such order as beneficiary
may determine, or at option of beneficiary the entire amount so collected, or
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 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 before any part of such taxes, assessments and other
charges become past due or delinquent and promptly deliver receipts therefor
to beneficiary. Should the grantor fail to make payment of any taxes, assess-
ments, insurance premiums, liens or other charges payable by grantor, either
by direct payment or by providing beneficiary with funds with which to
make such payment, 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 any waiver of any rights arising from breach of any of the
covenants hereunder and for such payments, with interest as aforesaid, the prop-
erty hereunder described, as well as the grantor, shall be bound to the
same extent that they are bound for the payment of the obligation herein
described, and all such payments shall be immediately due and payable with-
out notice, and the nonpayment thereof shall, at the option of the beneficiary,
render all sums 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 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 this deed, to pay all costs and expenses, in-
cluding evidence of title and the beneficiary's or trustee's attorney's fees; the
amount of attorney's fees incurred as to the purchase of the property shall be
paid by the trust and, in the event of an appeal from any judgment or
order of the trust court, grantor further agrees to pay such sum as the ap-
pellate court shall adjudge reasonable as the beneficiary's or trustee's inter-
est in such appeal.

It is mutually agreed that:

1. 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 desires, to require that all or any portion of the monies payable
as compensation for such taking, which are in excess of the amount required
to pay all reasonable costs, expenses and attorney's fees necessarily paid or
incurred by grantor in such proceedings, shall be paid to beneficiary and
shall be held in trust, from any reasonable costs and expenses and attorney's fees,
which are the trust and mortgage costs, necessarily paid or incurred by benefi-
ciary in such proceedings, and the balance applied upon the indebtedness
secured hereby, and grantor agrees, at its own expense, to take such action
and execute such instruments as shall be necessary in obtaining such com-
pensation or proceeds upon beneficiary's request.

2. At any time and from time to time upon written request of benefi-
ciary, grantor shall execute and record a deed of this deed and the note to
cancel or, in case of the recomveyance 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
redemption or other agreement affecting this deed or the lien or charge
thereof; (d) reconvey, without warranty, all or any part of the property. The
grantee in any reconveyance 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, either in person, by agent or by a receiver to be ap-
pointed by a court, and without regard to the adequacy of any security but
the indebtedness hereby secured, enter upon and take possession of said prop-
erty or any part thereof, in its own name sue or otherwise collect the rents,
issues and profits, including those past due and unpaid, and apply the same,
less costs and expenses of collection and collection, including reasonable attor-
ney's fees upon any indebtedness secured hereby, and in such order as benefi-
ciary 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, in his performance of any agreement hereunder, the beneficiary may
declare all sums secured hereby immediately due and payable. In such an
event 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
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
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 in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale
then after default at any time prior to five days before the date set by the
trustee for the trustee's sale, the grantor or other person so privileged by
ORS 86.740, may pay to the beneficiary or his successors in interest, respec-
tively, the entire 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 ex-
ceeding the amounts provided by law) other than such portion of the prin-
cipal as would not then be due had no default occurred, and thereby cure
the default, in which event all foreclosure proceedings shall be dismissed 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 or the time to which said sale may
be postponed as provided by law. The trustee may sell said property either
in one parcel or in separate parcels and shall sell the parcel or parcels at
auction 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 law conveying
the property so sold, but without any covenant or warranty, express or im-
plied. The recitals in the deed of any matters of fact shall be conclusive proof
of the truthfulness 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 sale to payment of (1) the expenses of sale, in-
cluding the compensation of the trustee and a reasonable charge by trustee's
attorney, (2) to the obligation secured by the trust deed, (3) to all persons
having recorded liens subsequent to the interest of the trustee in the trust
deed as 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 or successors to any trustee named herein or to any
successor trustee appointed hereunder. Upon such appointment, and without
conveyance to the successor trustee, the latter shall be vested with all title,
powers and duties conferred upon any trustee herein named or appointed
hereunder. Each such appointment and substitution shall be made by written
instrument executed by beneficiary, containing reference to this trust deed
and its place of record, which, when recorded in the office of the County
Clerk or Recorder of the county or counties in which the property is situated,
shall be 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 not
obligated to notify any party hereto of pending sale under any other deed of
first 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.

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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 as 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, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is 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.
March 11, 19 80.

Personally appeared the above named PATRICK D. RATLIFF and MICHELLE A. RATLIFF, husband and wife,

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

Before me:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 4/29/82

(ORS 93.490)

STATE OF OREGON, County of _____) ss.

Personally appeared _____, 19 _____, and _____

who, each being first duly sworn, 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 the 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)

PATRICK D. RATLIFF & MICHELLE A. RATLIFF, husband and wife,

Grantor

SPACE RESERVED FOR RECORDER'S USE

DONALD RATLIFF & LUANA M. RATLIFF, each to an undivided one-half interest

Beneficiary

AFTER RECORDING RETURN TO

PARKS & RATLIFF
ATTORNEYS AT LAW
228 North 7th, Klamath Falls, OR

STATE OF OREGON, } ss.
County of Klamath

I certify that the within instrument was received for record on the 11th day of March, 19 80, at 4:17 o'clock P. M., and recorded in book reel volume No. 110 on page 4759 or as document fee file instrument/microfilm No. 3122. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By _____ Deputy
Fee \$7.00

LEASE AND OPTION AGREEMENT

Vol. ^m 80 Page 176

THIS AGREEMENT, Made and entered into this 14 day of January, 1980, by and between JOSEPH SAMUEL LaCROIX and SYLVIA MAE LaCROIX, husband and wife, hereinafter referred to as first parties, and WILLIAM E. RAY and KAREN M. RAY, husband and wife, hereinafter known as second parties,

W I T N E S S E T H:

In consideration of the covenants herein contained to be kept by second parties, first parties do hereby lease, demise and let unto the said second parties the following described premises, to-wit:

The following described real property in Klamath County, Oregon:

All the following described tracts in Section 7, Township 35 South, Range 7 East of the Willamette Meridian, to-wit:

Beginning at a point on the East line of Government Lot 6, said Section 7, at a point that is 174.80 feet South of the Northeast corner of said Lot 6; thence South along the East line of said Government Lot 6, and Government Lots 7 and 12 to the Southeast corner of said Government Lot 12; thence West along the South line of said Government Lot 12 to a point that is 450.4 feet East of the Southwest corner thereof, said point being the Southeast corner of a tract conveyed to Anderson by Contract recorded February 26, 1963, in Deed Book 343 at page 340; thence North along said Anderson tract a distance of 660 feet; thence West along said Anderson tract a distance of 660 feet to the East line of a tract conveyed to Anderson by Contract recorded February 26, 1963 in Deed Book 343 at page 338; thence North along the East line of said Anderson tract a distance of 452.1 feet to the Northeast corner thereof; thence West along the North line of said Anderson tract a distance of 449.10 feet to the Southeast corner of a tract conveyed to Harold Sefton by deed recorded March 5, 1963 at Book 343 at page 449; thence North along the East line of said Sefton tract a distance of

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138 feet to the Northeast corner thereof; thence West along the North line of said Sefton tract and the North line of a tract conveyed to Edith Padgett by deed recorded March 4, 1963 in Book 343 at page 447 a distance of 631.30 feet to the Northwest corner of said Padgett tract; thence South along the West line of said Padgett tract a distance of 138 feet to the Southwest corner thereof; thence West 30 feet to the West line of Government Lot 8 of said Section 7; thence North along the West line of Government Lot 8 and 5 of said Section 7, to a point that is South 174.8 feet from the Northwest corner of said Government Lot 5; thence East parallel to the North line of said Government Lot 5 and 6 to the point of beginning

EXCEPTING THEREFROM

A tract of land situated in Government Lot 5 in Section 7, Township 35 South, Range 7 East of the Willamette Meridian; Beginning at the one quarter corner common to Section 6 and 7, Township 35 South, Range 7 East of the Willamette Meridian; thence South along the West line of Lots 2 and 5, 834.8 feet to the point of beginning; thence East parallel with the North line of Section 7 864.8 feet; thence South 208.7 feet; thence West parallel with the North line of Section 7, 864.8 feet to the West line of Lot 5; thence North 208.7 feet to the point of beginning.

Also excepting the the South 451.3 feet of Government Lot 6 and the North 208.6 feet of Government Lot 7.

To Have and to Hold the same unto the second parties for the term beginning on the date hereof, and extending to and including the 15th day of March, 1981.

The second parties for themselves, their heirs, executors, administrators do hereby covenant to and with the first parties their heirs, executors, administrators to pay as rental for said premises, for said term, the sum of FIVE HUNDRED (\$500) DOLLARS; the said rental shall be paid as follows: TWO HUNDRED FIFTY (\$250) DOLLARS on the execution of this agreement, receipt of which is hereby acknowledged, and TWO HUNDRED FIFTY (\$250) DOLLARS on or before November 15, 1980, said payments to be made and designated

by first parties.

The second parties expressly agree: To make no unlawful or offensive use of said premises; that waste thereof will not be suffered nor permitted; that no alterations or additions to or upon said premises will be made or suffered, nor this lease or option hereinafter granted, assigned, nor said premises sublet, nor may any other persons occupy said premises, unless the written consent of the first parties are first had and obtained. Said second parties further agree to promptly pay the rental installments as hereinabove provided as the same became due; that at the expiration of this lease or at the termination thereof second parties will quit and deliver up the premises to the first parties, peaceably and quietly and in as good order and condition as the same now are (reasonable use and wear thereof, fire and other unavoidable casualties excepted).

Second parties agree to comply with the ordinances and laws of the County and of the State in which the property is located, relating to the use and occupancy of said premises, and further agrees to pay all charges for water and electricity used on said premises as the same become due and to make all necessary repairs on the said premises during the term of this lease at the sole cost and expense of second parties.

Second parties agree to pay the taxes becoming due and payable in the year 1980, and any and all assessments, both principal and interest, on account of County and District liens now assessed or levied, and hereafter assessed or levied against said premises; payment on which have accrued during the term of

this lease.

If the rental installments, hereinabove mentioned, to be made by second parties, should be in arrears for a period of 15 days, or if the second parties shall neglect or fail to do or perform any of the covenants herein contained, then and in the event of any of said cases, the first parties may immediately, or at any time thereafter while said default continues, enter upon said premises or any part thereof and repossess the same and expel second parties and those claiming under second parties and remove said second parties' effects, forcibly if necessary without being taken or deemed guilty in any manner of trespass and without prejudice to any other remedies which might otherwise be used for arrears of rent, and all payments theretofore made by second parties under this agreement, and all additions and improvements by second parties made to and upon said real property, shall be retained and belong to first parties as liquidated damages.

In the event of such arrearage, neglect or failure, second parties hereby expressly waive the service of any notice of intention to terminate this lease or to repossess said premises, and further waive any demand for payment of rent or for possession, or of any and every notice or demand prescribed by any law of the State of Oregon, and agree that the simple breach by the second parties of any of the covenants herein shall of itself constitute a wrongful detainer of said premises by the second parties within the meaning of the statutes of the State of Oregon covering forcible entry and detainer.

It is further agreed that second parties shall pay to first

parties the sum of ONE THOUSAND (\$1,000), DOLLARS, said sum to be paid as follows: FIVE HUNDRED (\$500) DOLLARS on the execution of this agreement, receipt of which is hereby acknowledged, and FIVE HUNDRED (\$500) DOLLARS on or before November 15, 1980. If second parties shall pay said sums on or before the dates set forth, second parties shall be granted the sole, exclusive and irrevocable right and privilege of purchasing the real property hereinabove described, subject to and upon the terms as set forth, at and for the agreed price of SIXTY FIVE THOUSAND (\$65,000) DOLLARS to be paid as hereinafter set forth. If second parties shall pay the ONE THOUSAND (\$1,000) DOLLARS, but shall fail to exercise their option to purchase said property, nevertheless first parties shall be entitled to retain said sum as payment for this option.

If the second parties elect to exercise the option herein granted, said second parties shall pay to the first parties the sum of TEN THOUSAND (\$10,000) DOLLARS as a first and down payment, and exercise an agreement of sale and purchase on or before the 15th day of March, 1981, at 5:00 o'clock P.M. Said agreement of sale and purchase shall provide for the payment of the unpaid balance of FIFTY FOUR THOUSAND (\$54,000) DOLLARS in equal monthly payments over a period of TWO HUNDRED FORTH (240) months with the unpaid principal balance bearing interest at the rate of 8½ from March 15, 1981, and shall provide that all of said payments shall be made within 15 days of the due date thereof, and that upon the completion of said payments first parties shall convey to second parties title in fee simple without encumbrance except those encumbrances placed upon the property by second parties.


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Time is hereby declared to be the essence of this agreement and in the event the second parties shall fail or neglect to make the payments or any of them as herein provided for or shall fail to strictly and literally perform any of the covenants or conditions herein contained, then all payments theretofore made by second parties to the first parties shall be considered as rent and shall be retained and belong to the first parties herein and the option herein granted to second parties shall thereupon become null and void without any notice of termination or act by first party.

In case litigation is instituted arising directly or indirectly out of this contract, the losing party shall pay to the prevailing party reasonable attorney fees, including those incurred on appeal, if any.

This agreement has been prepared by Crane & Bailey, Attorneys at Law, at instance and request of first parties. Second parties acknowledges by signing this agreement that they have been advised of their right to have the provisions hereof reviewed by independent counsel, and that they have either had it reviewed by such counsel, or waived their right to do so.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals in duplicate at Klamath Falls, Oregon, the day and year first hereinabove written.


JOSEPH SAMUEL LaCROIX


SYLVIA MAE LaCROIX

First Parties

William E. Ray
WILLIAM E. RAY

Karen M. Ray
KAREN M. RAY
Second Parties

STATE OF OREGON)
) ss.
County of Deschutes)

Personally appeared the above named JOSEPH SAMUEL
LaCROIX and SYLVIA MAE LaCROIX, husband and wife, and
acknowledged the foregoing agreement their voluntary act and
deed this 14 day of February, 1980.

Norman M. Thurston
Notary Public for Oregon
My Commission expires: 12-5-83

STATE OF OREGON)
) ss.
County of Klamath)

Personally appeared the above named WILLIAM E. RAY
and KAREN M. RAY, husband and wife, and acknowledged the
foregoing agreement their voluntary act and deed this 7
day of February, 1980.

Richard P. Coe
Notary Public for Oregon
My Commission expires: 6-18-82

STATE OF OREGON, COUNTY OF KLAMATH; ss.
for record at request of _____
this _____ day of _____ A. D. 1980 at _____ o'clock _____ M., or
fully recorded in Vol. _____ of _____ on Page 4752

Wm D. MILNE, County Clerk

By Donna L. Block