

14. TW

day of

July

..., 1980..., between

KLAMATH COUNTY TITLE COMPANY

TED W. DRESS and DARLENE L. DRESS, husband and wife,

as Beneficiary,

WITNESSETH

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

Legal Description is attached hereto, marked as "EXHIBIT A" and by reference made a part hereof.

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 Ninety Seven Thousand Twenty Seven and 81/100ths (\$97,027.81) Dollars with interest thereon according to the terms of a promissory

sum of Ninety Seven Thousand Twenty Seven and 01/100 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 December 15, 1982, the date stated above, on which the final installment of said note is due.

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.

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 an amount not less than full ins. value, written in companies acceptable to the beneficiary, with loss payable to the latter; and

companies acceptable to the beneficiary, with the beneficiary as soon as insured policies of insurance shall be delivered to the beneficiary 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 beneficiary may collect under any life or other insurance policy may be procured by beneficiary upon any indebtedness secured by beneficiary, the entire amount so collected, or may determine, or at option of beneficiary, the amount to be released to beneficiary, or may determine, or at option of beneficiary, the amount to be released to grantor. Such application or release shall be made by beneficiary to the insurance company or companies, and shall not constitute any part thereof, nor shall it constitute any default or notice of default hereunder or invalidate any part hereof, or waive any right of beneficiary to sue the insurance company or companies to pay all or any part of the amount so released to grantor.

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 shall, at the time of the execution of this deed, make payment of all such taxes, assessments and other charges before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payment of any taxes, assessments, 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, the beneficiary may, at its option, make payment therefor and the amount so paid, with interest at the rate set forth in the note referred to herein, together with the obligations described in paragraph 4 hereof, shall be added to and become a part of the trust debt secured by this trust deed, without waiver of any rights arising from the breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation hereinbefore described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums so secured by this trust deed immediately due and payable and subject to the lien of this trust deed.

6. To pay all costs, fees and expenses of the trustee incurred of 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.

7. To apply for and defend any action or proceeding pursuant to the powers, rights or powers of beneficiary or trustee; and in any action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of a mortgage, all costs and expenses, including attorney's fees mentioned in this paragraph 7 in all judgments rendered by the trial court and in the appellate court, any judgment rendered by the trial court and in the appellate court, any judgment rendered by the trial court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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8. 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 elects to do so, 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 to be paid to beneficiary; or incurred by grantor in such proceeding, may be paid to beneficiary; a sum applied by it in such trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings; and the balance appropriated to the indebtedness secured hereby; and grantor agrees that he will execute such documents as may be required hereunder, and grantor understands that he shall be necessary in obtaining such documents and executes promptly 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 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 the priority thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as "persons 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 foregoing shall be not less than \$5.

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services mentioned in this paragraph shall be not less than \$5.
any default by grantor hereunder, beneficiary may at any
time without notice, either in person, by agent or by a receiver to
pointed by a court, and without regard to the time of day, take possession of said property
the indebtedness hereon, in its own name sue or otherwise collect the rents,
issues and profits, including those past due and unpaid, and apply the same to the
less costs and expenses of operation and collection, including reasonable attorney's
fees upon any indebtedness secured hereunder, 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 hire 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 an event the beneficiary at his or her direct the trustee to foreclose this trust deed in equity as a first lien on the property described herein. The beneficiary or the trustee may execute and sale. In the latter event the beneficiary or the trustee may execute and cause to be recorded his written order to satisfy the obligations secured to the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale, give notice thereof, and there 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 86.760 to pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and any obligation secured thereby (including costs and expenses of the foreclosure) and enforcing the terms of the obligation and other than such portion of the principal as would not have been due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

14. 14. Therefore, 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 any purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. 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, including the compensation of the trustee and any reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded claims to the interest of the trustee in the trust property, and (4) to the interest of the grantor or his successor in interest entitled to such 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 trustee named hereunder. Upon such appointment, and without the necessity of any further action, the trustee so appointed shall conveyance to the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee named herein and all powers and duties substituted shall be made by written instrument executed and attested by the beneficiary and the trustee hereunder. Each appointment of a successor trustee shall be recorded in the Clerk or Recorder of the county in which the property is situated and its place of record, which, when recorded, shall constitute notice to all persons of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed a
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, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is law-
fully 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. Default on pre-
vious encumbrances, mortgage or deeds of trust, shall be a default on this
Deed of Trust.

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, execu-
tors, 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.)

(ORS 93.490)

STATE OF OREGON,

County of Hillemath, 1980

Personally appeared the above named

BILL P. DICKEY,

and acknowledged the foregoing instru-
ment to be his voluntary act and deed.

(OFFICIAL
SEAL)

Before me:
Notary Public for Oregon

My commission expires: 9-16-81

STATE OF OREGON, County of _____, 19____

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____

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)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Wm. P. Brandness

411 Pine
K. Falls, O.

SPACE RESERVED

FOR RECORDED USE

RECORDER'S USE

STATE OF OREGON,

County of _____

I certify that the within instru-
ment was received for record on the
_____ day of _____, 19____

at _____ o'clock _____ M., and recorded
in book/reel/volume No. _____ on
page _____ or as document/fee/file/
instrument/microfilm No. _____

Record of Mortgages of said County.

Witness my hand and seal of
County affixed.

By _____ TITLE

Deputy

13017

Description attached to Second Trust Deed
 Bill P. Dickey to Ted W. Dress and Darlene L. Dress

PARCEL NO. 1: All that portion of Tracts 32 and 36, Enterprise Tracts, situated in the Northwest Quarter of Section 3, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Southeast corner of said Tract 32; thence North $89^{\circ}30'45''$ West a distance of 281.8 feet (West 281.7 feet by previous records) to an iron pipe on the Northwestern line of Austin Street as deeded to Klamath County by Deed Vol. 229, page 300, Klamath County Deed Records; thence North $34^{\circ}07'30''$ East at right angles to South Sixth Street and along the Northwestern line of Austin Street a distance of 183.08 feet to an iron pin on a point on a line that is parallel to and 180 feet distant at right angles from the east line of said Tract 32; thence North $0^{\circ}20'45''$ East along said parallel line and along the Westerly line of Austin Street a distance of 722.70 feet to an iron pin being the true point of beginning of this description; said point being South $0^{\circ}20'45''$ West a distance of 400.02 feet from the iron pin marking the Southerly line of Shasta Way; thence North $89^{\circ}39'15''$ West a distance of 629.67 feet to an iron pin on the Southeasterly line of Avalon Street; thence North $30^{\circ}37'$ East along the Southeasterly line of Avalon Street a distance of 284.57 feet to an iron pipe; thence North $89^{\circ}56'$ East a distance of 110.32 feet to an iron pipe; thence North $0^{\circ}07'30''$ West a distance of 150.11 feet to an iron pipe on the Southerly line of Shasta Way; thence North $89^{\circ}50'30''$ East along the Southerly line of Shasta Way a distance of 377.21 feet to an iron pin on the West line of Austin Street; thence South $0^{\circ}20'45''$ West along the West line of Austin Street a distance of 400.02 feet to the true point of beginning of this description.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Wm. P. Brandsness, Atty.

this 14th day of July A. D. 1980 at 2:13 o'clock P. M. at

truly recorded in Vol. M80, of Mortgages on Page 13015

Wm. D. MILNE, County Clerk

Fee \$10.50

By Lessetha Heloich

Description
 Second Trust Deed

"EXHIBIT A"