

TRUST DEED

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John E. Johnson and Deborah A. Johnson, Husband and Wife

as Grantor, MOUNTAIN TITLE COMPANY

SIMLOG LEASING COMPANY

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:

SEE ATTACHED EXHIBIT "A"

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 Eighty five thousand and no/100-----

August 11, 1980 & a lease dated July 31, 1980... Dollars, with interest thereon according to the terms of the 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 September 30, 1985

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 an amount not less than \$ _____ Full Value _____, companies 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 effect a policy of insurance on the buildings hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense; all monies collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

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, assessments, or other charges, the beneficiary shall have the right to pay by direct payment or by providing for the payment of such taxes, assessments and such payment, beneficiary may, at its option, make payment secured 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 deed and the beneficiary shall have the right arising from breach of any of the covenants hereof and for such payment, the beneficiary shall have 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 herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, constitute a default in the 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, including the reasonable attorney's fees of the beneficiary or trustee, the amount of attorney's fees mentioned in this paragraph, shall be paid as provided by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the court may determine to be reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event of any partition 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 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 beneficiary in connection with such taking, be paid to beneficiary and applied by it first upon any reasonable costs and expenses necessarily incurred both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action as may be necessary to cause the monies payable as compensation to be so applied, 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 for 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 thereof; (d) reconvey, without reservation of any part of the property. The grantee in any reconveyance may be described as "trustee of 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 or by a receiver to be appointed by a court, and without regard to the adequacy of security or the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, and profits, including those past due and unpaid, and apply the same, less costs of operation 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 the debt secured hereby immediately due and payable. In such an event 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 as a mortgage 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 foreclose and said described real property to satisfy the obligations secured hereby and thereafter the trustee shall fix the time and place of sale, give notice thereof as then required by law and cause the property to be sold and the proceeds thereof to be applied to the proceeds of the sale and to foreclose this trust deed in the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary fail to pay the proceeds by advertisement and sale of the property within the time specified in the advertisement, 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 the deed to sell the property to the beneficiary or his successors in interest, respectively, the entire amount then due on the obligation shall be paid to the grantor or his successors in interest, and the obligation secured thereby (including costs and expenses actually incurred in advertising and the terms of the obligation and trustee's and attorney's fees not exceeding the amount of the proceeds of the sale) shall be deemed to have been paid in full. If the principal 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 court.

18. 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 the highest cash price obtainable, payable at the time of sale. Trustee shall deliver to the purchaser its deed of conveyance for the property sold, 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 truth of the same. The trustee, or his assigns, shall have the right to grant or 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 a reasonable charge by trustee's attorney, (2) the obligation secured by the trust deed, (3) to all persons having recorded liens in respect 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, interest and powers and shall stand in the shoes of the trustee named herein. Each such appointment and such substitution shall be evidenced by instrument executed by beneficiary, containing reference to this trust deed in the place of record, which, when recorded in the office of the County Clerk of Riverside County, California, shall constitute the entire and complete and 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 trust 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.

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 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.
August 13, 19 80.

Personally appeared the above named

John E. Johnson and
Deborah A. Johnson

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

(OFFICIAL SEAL)

Notary Public for Oregon

My Commission Expires July 13, 1981

(ORS 93.490)

STATE OF OREGON, County of) ss.
August 13, 19 80.

Personally appeared _____ 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)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

1412 1st St.

MTG

SPACE RESERVED
FOR
RECORDER'S USE

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/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

DESCRIPTION

EXHIBIT "A"

20175 15323

A parcel of land situated in the SW $\frac{1}{4}$ of Section 34 and the SE $\frac{1}{4}$ of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East line of said Section 33 and the Northerly right of way line of Midland Road, from which the Southeast corner of said Section 33 bears South 00° 10' 55" East 30.00 feet, thence from said point of beginning South 89° 57' 30" West along the Northerly right of way line of said Midland Road 260.80 feet to the Easterly right of way line of Washburn Way, thence Northerly along the Easterly right of way line of said Washburn Way the following five bearings and distances: North 00° 10' 55" West 409.74 feet; thence along the arc of a 542.96 feet radius curve to the right (Delta = 36° 38' 00", Chord = North 18° 08' 05" East 341.27 feet) 347.15 feet, thence North 36° 27' 05" East 108.01 feet to a 5/8" iron pin, thence along the arc of a 602.96 feet radius curve to the left (Delta = 36° 38' 00", Chord = North 18° 08' 05" East 378.98 feet) 385.52 feet to a 5/8" iron pin, thence North 00° 10' 55" West 119.51 feet to a 5/8" iron pin, thence leaving said Easterly right of way line of said Washburn Way North 89° 54' 58" East 290.00 feet to a 5/8" iron pin, thence South 00° 10' 55" East 871.21 feet to a 5/8" iron pin, thence South 89° 54' 58" West 203.00 feet to a 5/8" iron pin, thence South 00° 10' 55" East 429.16 feet to the Northerly right of way line of Midland Road, thence South 89° 54' 58" West along the Northerly right of way line of said Midland Road 117.00 feet to the point of beginning.

EXCEPTING THEREFROM THE FOLLOWING:

A parcel of land situated in the SW $\frac{1}{4}$ of Section 34, and the SE $\frac{1}{4}$ of Section 33, Township 39 South, Range 9 East of the Willamette Meridian, more particularly described as follows:

Beginning at a 5/8" iron pin on the Easterly right of way line of Washburn Way from which the SW corner of said Section 34 bears the following two bearings and distances: South 89° 54' 58" West 30.00 feet, South 00° 10' 55" East 1330.37 feet more or less, thence from said point of beginning North 89° 54' 48" East 290.00 feet to a 5/8" iron pin, thence South 00° 10' 55" East 422.40 feet, thence South 89° 54' 58" West 371.52 feet to a point on the Easterly right of way line of said Washburn Way, said point also being on a 602.96 feet radius curve, from which the radius point bears North 60° 02' 32" West 602.96 feet, thence along the Easterly right of way line of said Washburn Way and along the arc of a 602.96 feet radius curve to the left (Delta = 30° 08' 23", Long Chord = North 14° 53' 16" East 313.53 feet), 317.18 feet to a 5/8" iron pin, thence continuing along the Easterly right of way line of said Washburn Way, North 00° 10' 55" West 119.51 feet to the point of beginning.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 13th day of August A.D., 19 80 at 3:45 o'clock P M., and duly recorded in Vol. M80 of Mortgages on Page 15323.

FEE \$10.50

INDEXED

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 16th day of October A.D., 19 80 at 2:23 o'clock P M., and duly recorded in Vol. M80 of Mortgages on Page 20173.

FEE 10.50

WM. D. MILNE, County Clerk

By Bernetha H. Hetch Deputy