

THIS TRUST DEED, made this 2nd day of March, 1981, between
MANUEL M. PADILLA and CARLA D. PADILLA, husband and wife
 as Grantor, **TRANSAMERICA TITLE INSURANCE COMPANY**, as Trustee, and
RAYMOND A. HATCHER and CINDY LAI PING HATCHER, husband and wife

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:

The North 70 feet of Lot 26, TONATEE HOMES, in the County of Klamath,
 State of Oregon.

SEE ATTACHED EXHIBIT "A"

FILED:

13

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 **FORTY-ONE THOUSAND AND NO 100s**

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, it
 not sooner paid, to be due and payable March 15, 1991.

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.

The above described real property is not currently used for agricultural, timber, or grazing purposes.

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 require, for an amount not less than \$100,000 insurable value, written in
 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
 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 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
 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 waiver of any rights arising from 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 herein
 described, and all such payments shall be immediately due and payable without
 notice, and the beneficiary, at its option, may foreclose its security hereunder
 and enforce payment of 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 and defend and defend the 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 mentioned in this paragraph 7 in all cases shall be
 fixed 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 ap-
 pellate court shall judge reasonable as the beneficiary's or trustee's attorney's
 fees on such appeal.

It is mutually agreed that:

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 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 grantor in such proceedings, shall be paid to beneficiary and
 applied by it first upon any reasonable costs and expenses and attorney's fees,
 both in the trial and appellate courts, necessarily paid or incurred by ben-
 efiary in such proceedings, and the balance applied upon the indebtedness
 secured hereby; and grantor agrees, at its own expense, to take such actions
 and execute such instruments as shall be necessary in obtaining such com-
 pensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of ben-
 efiary, 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
 thereon; (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 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 for
 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 operation and collection, including reasonable attor-
 ney's fees upon any indebtedness secured hereby, and in such order as ben-
 efiary 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 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 by
 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
 to sell 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 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 86.760, 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
 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 PURPOSE OF THIS SECTION OF THE INSTRUCTIONS IS TO INFORM THE APPLICANT OF THE FACTS OF THE CASE OF THE APPLICANT AND TO INFORM THE APPLICANT OF THE FACTS OF THE CASE OF THE APPLICANT.

and that he will wait till and forever defend the same against all who shall attempt to take away his right.

(a)* primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below),

This deed applies to persons to the benefit of and binds

masculine gender includes the feminine and the neuter, and the sin-

IN CONNECTION WITH THE INVESTIGATION OF THE ACTS OF VIOLENCE COMMITTED BY THE DEFENDANT, THE FOLLOWING INFORMATION IS BEING FURNISHED TO YOU FOR YOUR INFORMATION:

With the Act is not required, disregard this notice.

(ORS 93.490)

(ORS '93.490)

STATE OF OREGON, County of _____) ss.

DATE OF 10-19-1911 FILE NO. 2044-10-19-1911 19

Personally appeared _____ and _____

duly sworn, did say that the former 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: _____

1970-1971

Notary Public for Oregon (OFFICIAL

My commission expires: _____

14-00000

607

(b) Payment to the extent of the cost of the goods.

FOR FULL-RECONVEYANCE started between:

RECEIVED BY THE SECRETARY OF THE ARMY
JAN 10 1954

Trustee

debt secured by the foregoing trust deed. All sums secured by said

estate now held by you under the same. Mail reconveyance and documents to _____

[illegible]

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.

GROUP OF PAPERS
(FORM No. 881-1)
L. STEVENS & SONS LAW PUB. CO. PORTLAND, ORE.

I certify that the within instru-

ment was received for ~~record~~ on the

day of , 19

in book/floor/volume No _____ on _____

page.....or as document/fee/file/

instrument/microfilm No.

Record of Mortgages of said County.

County affixed

1000

NAME	TITLE
------	-------

By _____ Deputy

[illegible]

10. $\frac{1}{2} \log \frac{1}{2} = -0.5$ and $\frac{1}{2} \log \frac{1}{2} = -0.5$ so $H = -0.5 - 0.5 = -1$.

EXHIBIT "A"

4547

This Trust Deed is an "All Inclusive Trust Deed" and is 2nd and subordinate to the Mortgage now of record dated July 29, 1974 and recorded August 2, 1974 in Book: M-74 at Page 9484 in official records of Klamath County, in favor of State of Oregon, represented and acting by the Director of Veterans Affairs, as Mortgagee, which secures the payment of a Note therein mentioned. Beneficiary herein agrees to pay, when due, all payments due upon the said Promissory Note in favor of State of Oregon, represented and acting by the Director of Veterans Affairs, and will save Trustors herein, Manuel M. Padilla and Carla D. Padilla, husband and wife, harmless therefrom. Should the said Beneficiary herein default in making any payments due upon said prior Note and Mortgage, Trustors herein may make said delinquent payments and any sumd so paid by Trustors herein shall then be credited upon the sums next to become due upon the Note secured by this Trust Deed.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Transamerica Title Co.

this 12th day of March A. D. 1981 at 3:21 o'clock PM , , .

duly recorded in Vol. M81, of 188 on Page 4545.

EVELYN BIEHN, County Clerk

By Debra A. Janes

Fee \$10.50