

-87-

DECEMBER

19..... between

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 Exhibit "A" Attached

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 ***** Thirty eight thousand two hundred fifty and no/100****** Dollars, with interest thereon according to the terms of a promissory

*** Thirty eight thousand two hundred fifty and no/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 June 8, 19 82.

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 hereon, shall become immediately due and payable.

This 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, orders, regulations, decrees, certifications and instructions affecting said property; the Uniform Contribution in Event of Such Filing Statute is pursuant to the Uniform Contribution Code as the beneficiary may require and to pay for filing said in the proper public office or offices, as well as the cost of all fees, searches, roads by filing offices in searching agencies as may be deemed desirable by the beneficiary.

2. 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 \$ _____, together with loss payable to the written or

[illegible]

5. To keep said premises free from construction fees and to pay all taxes, assessments, and other charges that may be levied or assessed upon or against said premises, including but not limited to taxes, assessments, and other charges.

5. To keep and perform all such 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 the grantor; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, then the said property shall be sold to satisfy such taxes, assessments, insurance premiums, liens or other charges with funds with which the

to beneficiary; should the donor incur any debts, judgments, 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, beneficiary may, at its option, make payment thereon at the rate set forth in the note secured by the mortgage.

make such payment, beneficiary may, at its option, make payment in installments, and the amount so paid, with interest at the rate set forth in the note so used, together with the obligations described in paragraphs 6 and 7 of the hereby, shall be added to and become a part of the debt secured by the

hereby, together with the obligations described in paragraph 10 hereof, shall be added to and become a part of the debt secured by the trust deed, without waiver of any rights arising from breach of any of the covenants contained in the trust deed, and for such payments, with interest as aforesaid, the borrowers hereby agree that the Guarantors shall be bound to the lender.

trust deed, without waiver of any of the covenants hereof and for such payments, with interest as aforesaid, the grantor, shall be bound to the same extent that they are bound for the payment of the obligation here

same extent that they are bound for the payment of the debt so described, and all such payments shall be immediately due and payable at our notice, and the nonpayment thereof shall, at the option of the beneficiary, be all times secured by this trust deed immediately due and payable in

6. To pay all costs, fees and expenses of this trust including the cost of the preparation of this instrument, the costs and expenses of the trustee in its administration of the trust, and the nonpayment of which shall render all sums retained 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, but not limited to, the costs of title search as well as the other costs and expenses of the trustee in its connection with or in enforcing this obligation and trustee's and attorney's fees reasonably incurred.

7. To appear in and defend any action or proceeding pertaining to the security rights or powers of beneficiary or trustee; and a beneficiary or trustee may appear, including

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, and to defend the title and the beneficiary's or trustee's attorney's fees.

any suit for the foreclosure of this deed, to pay the costs of such suit, including evidence of title and the beneficiary's or trustee's attorney's fees; and account of attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the trial court and in the event of an appeal from any judgment rendered by the trial court, the appellate court shall allow such sum as the

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 appellate court shall determine reasonable as the beneficiary's or trustee's attorney's fees on 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 expropriation, hereinafter defined, the right of the said State, to require that all or any portion of the just compensation, but so much as is in excess of the amount required for the acquisition of such property, shall be paid to the said beneficiary.

... compensation for such taking, which are in excess of the amount actually paid to pay the reasonable costs, expenses, and attorney's fees necessarily paid by the taker, shall be paid to the landowner.

to pay the reasonable costs, expenses and attorney's fees incurred by grantor in such proceedings, shall be paid by beneficiary as applied by the trial and appellate courts, necessarily paid or incurred by both in the trial and appellate courts, necessarily applied upon the rule of

both in the trial and appellate courts, necessarily paid or incurred by the party 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 or desirable to secure the payment of such indebtedness, and to execute such documents as shall be necessary in obtaining such action.

2. At any time and from time to time upon written request of the beneficiary of this deed and the satisfaction of the conditions hereinbefore stated, the grantor shall execute and deliver such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

(2) consent to the making of any map or plan of said property; (b) join in any granting and easement or creating any restriction thereon; (c) join in any subordination or other agreement of any kind in this deed or the lien or charge thereon; (d) recover any money or may be described as the "person or persons" (hereinafter referred to as "trustees") of the trust, and the recitals therein of any matters or facts shall constitute conclusive proof of the truthfulness thereof. Trustees' fees for any of the services mentioned in this paragraph shall be not less than \$_____ for any of any

10. Upon any default by grantor hereunder, beneficiary may at any time without notice either in person, or by a duly authorized agent, enter upon and take possession of any security for the debt secured, enter upon and take possession of a real property or any part thereof, in its own name sue and defend, and apply the same assets and profits, including the proceeds of any sale, to the satisfaction of the debt and the collection, including reasonably after loss and any other expenses incurred 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 fire and other insurance policies or compensation or awards for any taking or damage of property, and the application or release thereof as aforesaid, shall not constitute any default of notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by grantor in payment of any installment secured hereby, its performance of any agreement hereunder, the beneficiaries may declare all amounts secured hereby immediately due and payable. In such event the beneficiary at his election may appoint a trustee to foreclose this trust deed in equity as a mortgage. In the latter event the beneficiary or the trustee may advertise and cause to be recorded his written notice of default and foreclosure to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall file the law and proceed to foreclose this trust deed thereof as then provided.

WITNESSED IN HAND AND SEAL OF OFFICE ON APRIL 27, 1967.

NOTARIAL PUBLIC IN ORS §87.40 TO §87.95.

thereof as then reported by ORS § 7.40 to \$6,795. The manner provided in ORS § 7.40 to \$6,795.

It is further agreed that if the beneficiary elect to foreclose by advertisement and sell the property at a public sale, the grantor or his trustee for the trust's sale, the grantor or his successors in interest, respectively, shall pay to the beneficiary of this trust under the terms of the trust deed, ORS § 6.50, all sums due under the terms of the trust deed and all sums secured thereby (including costs and expenses actually incurred) and enforcing the terms of the obligation and trustee shall not be bound to exceed the amounts provided herein. If no default occurred, and thereby causing the foreclosure, in which event all foreclosure proceedings shall be dismissed by the trustee.

11. 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 the parcel or parcels in one parcel or in separate parcels and shall submit the proceeds of the sale in one or more bills to the highest bidder for cash, subject to the terms and conditions set forth in the notice of sale, in the form as required by Law. The trustee shall deliver to the purchaser a deed in full covenant or warranty, express or implied, the property so sold, but shall not be deemed to have any obligation to defend the title to the property sold or defend 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.

13. When trust is sold pursuant to the powers provided herein, trust shall, and shall not, be compensated for the expenses of sale, and shall not be charged with the compensation of the trustee and a reasonable charge for attorney's fees, (2) to the obligation secured by the trust, (3) to all persons having provided liens subsequent to the interest of the trustee in the trust, and (4) to any interests that may arise in the order of their priority and (4) surplus, if any, to the grantor or to his successor in interest entitled to a surplus.

18. For any reason permitted by law beneficiary may trust in law trust appointor or successor to any trustee, appointor and with consent of trust, to transfer the latter shall be vested with all the powers and duties conferred upon any trustee herein named, and the same shall be deemed to have been made by written instrument, except that the same shall be deemed to be so made by the record, which, when recorded in the office of the Clerk or Secretary of the county or counties in which the trust is situated, shall constitute the record of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending suit under any other deed or instrument affecting the property of which this deed is a part, or of the trust or of any action or proceeding in which grantor, beneficiary or trustee is a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be a bar or 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 of the United States, a title insurance company authorized to engage title to real property of the state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 646.565 to 646.569.

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 signor of the above is a corporation, use the form of acknowledgment opposite.)

(ORS 92.420)

STATE OF OREGON,)
County of KLAMATH) ss.
DECEMBER 8, 19 81
Personally appeared the above named
RONALD L MERMAN
PEGGY J MERMAN

STATE OF OREGON, County of _____, 19____,) ss.
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)

and acknowledged the foregoing instrument to be their voluntary act and deed.
Before me:
Notary Public for Oregon
My commission expires: 5/21/85

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

South Valley St. Bank
5215 S.W. 6th
K. Falls, OR 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,) ss.
County of _____

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 _____ Deputy

PART OF TRUST DEED
DATED 12/8/81
RONALD L & PEGGY J MERMAN

EXHIBIT "A"

21386

The North Half of the West 183.75 feet of the West Half of the South Half of the North Half of the Southeast Quarter of the Southwest Quarter, of Section 1, Township 41 South, Range 10 East of the Willamette Meridian, Klamath County, State of Oregon.

EXCEPTING therefrom that portion lying within Third Street, Lincoln Street or the alley as set out in Deed recorded August 14, 1945 in Volume 196, page 433.

ALSO EXCEPTING therefrom a portion of the North Half of the Southeast Quarter of the Southwest Quarter of Section 1, Township 41 South, Range 10 East, Willamette Meridian, described as follows:

BEGINNING at a point which lies North along the Section line 825 feet from the Southwest corner of the Southeast Quarter of the Southwest Quarter of Section 1, Township 41 South, Range 10 East, W. M., which point is the Southeast corner of that certain parcel of land described in Deed Book 175, page 345, Records of Klamath County, Oregon; thence East 40 feet; which is the True Point of Beginning of the parcel of land herein described and lies on the East boundary line of a dedicated street; thence continuing East along a line parallel to the South line of the said Southeast Quarter of the Southwest Quarter, 135.75 feet to the West line of a dedicated alley, thence North along the West line of said Alley 62.5 feet; thence West, parallel to the South line of said Southeast Quarter of the Southwest Quarter; 135.75 feet, to the East line of the above mentioned Street; thence South along the East line of said Street 62.5 feet, more or less, to the POINT OF BEGINNING.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at ~~XXXXXX~~

on 14 day of December A.D. 1981 at 3:51 o'clock P., and
duly recorded in Vol. M 81, of Mtge on Page 21384

Fee \$12.00

EV. LYN BIEHN, County Clerk

By Joyce M. O'Brien