

THIS TRUST DEED, made this 4th day of February, 1982, between

** Nan Cuevas, an estate in fee simple ** * * * * *, herein called "GRANTOR,

** Klamath County Title Co. * * * * * herein called "TRUSTEE," and
BANK OF THE CASCADES, a corporation, herein called "BENEFICIARY":

WITNESSETH:

That the grantor irrevocably grants, bargains, sells and conveys to the trustee, in trust, with power of sale, the following described real property:

Lots Fourteen (14) and Fifteen (15), Block One (1), LITTLE RIVER RANCH, according to the official plat there of on file in the office of the County Clerk of Klamath County, Oregon.

Rerecorded for informational purposes
Maturity Date 1-18-83

together with all and singular the appurtenances, tenements, hereditaments, rents, issues, profits, easements or privileges now or hereafter belonging to, derived from or in anywise appertaining to the above described premises, and all fixtures, including without limitation built-in appliances and wall-to-wall carpeting, upon said premises at the time of the execution of this trust deed or hereafter placed thereon.

This trust deed is given for the purpose of securing the performance of each agreement and covenant of the Grantor herein contained and the payment of the sum of Fifteen Thousand and no/100s * * * * * (\$ 15,000.00) Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary or order and made by the grantor, the final payment of principal and interest thereof to be due and payable on the 3rd day of August, 19 82, unless sooner paid.

The grantor covenants to and with the trustee and the beneficiary herein that the premises and property conveyed by this trust deed are free and clear of all liens and encumbrances.

and the grantor, his heirs, executors and administrators will warrant and defend his said title thereto against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said note according to the terms thereof; and, grantor further covenants and agrees to pay when due, all taxes, assessments and other charges, levied or assessed against said property; to keep said property free from all encumbrances having precedence over this trust deed, other than as may be excepted above; to complete all buildings in the course of construction or hereafter constructed on said premises within _____

months of the date hereof or the date construction is hereafter commenced; to repair and restore promptly and in good and workmanlike manner, any building or improvement on said property which may be damaged or destroyed and pay, when due, all costs and expenses incurred therefor; not to remove or destroy any building or improvement now on or hereafter constructed on said premises; to keep all buildings and improvements now on or hereafter erected upon said property in good repair; not to commit, or permit to be committed, waste of said premises; to permit beneficiary or its authorized agents to inspect said property at all reasonable times; to keep all building, property and improvements now on or hereafter erected or installed upon said premises continuously insured against loss by fire or such other hazards as the beneficiary may from time to time require in an amount not less than the principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, to deliver the original policy of insurance with a loss payable clause in favor of the beneficiary and in such form as is satisfactory to beneficiary endorsed thereon, to the principal place of business of the beneficiary no later than the date the policy of insurance is effective, with the premium paid. If such policy of insurance is not so delivered, or if such insurance is not kept continuously in force, the beneficiary may at its option, obtain insurance for the benefit of the beneficiary.

During the term of this trust deed the beneficiary may, after written notice to grantor, require grantor to deposit with beneficiary each month an amount equal to 1/12 of the estimated taxes, assessments and other charges accruing against said property each year and 1/36 of the insurance premiums payable with respect to said property each succeeding three years while this trust deed remains in effect, as estimated and directed by the beneficiary. These payments shall be in addition to the regular monthly payments of principal and interest payable under the terms of the note or obligation secured hereby. The money so deposited by grantor shall be credited to a reserve account and beneficiary is hereby authorized to charge against said account as a withdrawal sufficient amounts to pay accruing taxes and insurance premiums when due. Should there be insufficient sums in said account to pay said taxes and insurance premiums when due, grantor shall, on demand, pay to beneficiary an amount necessary to satisfy said deficiency. In the event grantor shall fail to make the payments upon said promissory note, beneficiary may, at its option, apply the balance in said reserve account toward the payment of principal and interest. Grantor hereby irrevocably constitutes and appoints beneficiary as his attorney in fact to make and deliver proofs of loss under or upon any policy of insurance and to adjust, sue for or compromise any claim thereunder and to collect the proceeds of any such insurance and apply such proceeds either towards the payment of the note or obligation secured hereby or to the repair and rebuilding of the damaged property as it may elect.

Grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to pay all costs, fees and expenses of this trust, including the cost of title insurance, as well as all 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; to appear and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum to be fixed by the court in any such action or proceeding in which the beneficiary or trustee may appear and in any suit brought by beneficiary to foreclose this deed, and all said sums to be secured by this trust deed.

IT IS MUTUALLY AGREED THAT:

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 moneys payable as compensation for said 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, expenses and attorney's fees necessarily paid or incurred by beneficiary in such proceeding, 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 compensation, promptly upon beneficiary's request.

At any time and from time to time, upon written request of the beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, for cancellation) without affecting the liability of any person for the payment of the indebtedness, the trustee may (1) consent to the making of any map or plat of said property; (2) join in granting any easement or creating any restrictions thereon; (3) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (4) reconveying without warranty, all or any part of the property.

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 \$10.00.

As additional security, grantor hereby assigns to beneficiary during the continuance of this trust all rents, issues, and profits of the property subject to this deed. Until grantor shall default in the payment of any indebtedness secured hereby or in the performance of any covenants or agreement hereunder, grantor shall have the right to collect all such rents, issues and profits as they become due. Upon any default of the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for its indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid. All such rents, issues and profits so collected by beneficiary shall be applied to the cost of renting and managing said property; costs of necessary repairs thereto, operating expenses and any balance to the payment of the note or obligation secured hereby and this trust deed. Grantor further authorizes the beneficiary, in any appropriate proceeding, to apply to the court for the appointment of a receiver to take possession of said property, the costs of said receivership to be paid by grantor on demand and shall be secured by the lien of this trust deed.

The entering upon and taking possession of said property, the collection of rents, issues and profits or the proceeds of fire or other insurance policies or compensation or award for the taking of or damage to 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.

The grantor shall make no sale of the above described property subject to or with assumption of the indebtedness or obligation secured by this trust deed without first obtaining the written consent of the beneficiary. However, the beneficiary shall not withhold such consent unreasonably and provided that before the grantor shall be entitled to such approval, the beneficiary shall be furnished by a form supplied by the beneficiary with such personal information concerning the purchaser as would ordinarily be required on a new loan applicant and shall be paid a service charge as fixed and determined by the beneficiary, but in no event in excess of one per cent of the amount of the original note secured by this trust deed, and provided further, that as an additional requirement for such approval the beneficiary may at its option and in its sole discretion decrease or increase the contractual interest rate upon the unpaid balance of the obligation secured by this trust deed, but shall not increase the rate more than one per cent above the then existing contractual rate. The service charge may, at the option of the beneficiary be added to the principal balance of the indebtedness as an obligation secured by this trust deed.

Time is of the essence of this instrument and upon default by the grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable by delivering to trustee any written notice of default and election to sell the trust property, which notice trustee shall cause to be filed of record. Upon delivery of said notice of default and election to sell, the beneficiary shall deposit with the trustee this trust deed and all promissory notes and documents evidencing expenditures secured hereby, whereupon the trustee shall fix the time and place of sale and give notice thereof as required by law.

If after default and prior to the time and date set by the trustee for the trustee's sale, the grantor or other person so privileged by law, pays the entire amount then due under the terms of the trust deed and the obligation secured thereby, other than such portion of the principal as would not then be due had no default occurred, the grantor or other person making such payment shall also pay to the beneficiary all costs and expenses actually incurred up to said time in enforcing the terms of this obligation, including trustee's and attorney's fees not exceeding \$50.00, if actually incurred. If such payment is made as herein provided all proceedings had or instituted to foreclose the trust deed by sale shall be dismissed or discontinued and the obligation and the trust deed shall be reinstated and remain in force as if no acceleration had occurred.

After the lapse of such time as may be required by law following the recording of the notice of default and giving of said notice of sale, the trustee shall sell said property at the time and place fixed in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States of America, payable at the time of sale. The trustee shall deliver to the purchaser its deed on form as required by law, conveying the property so sold but without any covenant or warranty, express or implied. The recital in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and the beneficiary, may purchase at the sale.

When the trustee sells pursuant to the powers provided herein, the trustee

shall apply the proceeds of sale to payment of (1) the expenses of sale, including a reasonable charge by the trustee; (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 interest may appear in order of their priority, and (4) the surplus, if any, to the grantor or to his successors in interest to such surplus.

For any reason permitted by law, the 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 the beneficiary; containing reference to this trust deed and its place of record, which, when recorded in the mortgage records of the office of the County Clerk or Recorder in the County or Counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record, as provided by law. The 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 the grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by the trustee.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a beneficiary herein.

In construing this deed, and whenever the context so requires, the neuter gender includes the masculine and/or the feminine, and the singular number includes the plural.

The property is not currently used for agricultural timber or grazing purposes.

IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal the day and year first above written.

Nan Cuevas (SEAL)
Nan Cuevas

(SEAL)

STATE OF OREGON }
County of Deschutes } ss.

Feb. 4, 19 82.

Personally appeared the above named Nan Cuevas

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

Before me:
Terrie C. Ray
Notary Public for Oregon
My commission expires: 7-16-84

<p>STATE OF OREGON } County of <u>Klamath</u> } ss.</p> <p>I certify that the within instrument was received for record on the <u>11</u> day of <u>Feb.</u>, 19 <u>82</u>, at <u>3:05</u> o'clock <u>P</u>.M., and recorded in book <u>M82</u> on page <u>1820</u> Record of Mortgages of said County.</p> <p>Witness my hand and seal of County affixed.</p> <p><u>Ernest B. Biehn</u> County Clerk <u>Ernest B. Biehn</u> County Clerk-Recorder <u>Ernest B. Biehn</u> Deputy</p> <p>Fee \$8.00</p>		<p>TRUST DEED</p> <p>Grantor</p> <p>TO BANK OF THE CASCADES Bend, Oregon Beneficiary</p> <p>After Recording Return To: Bank of the Cascades P.O. Box 707 Bend, Oregon 97709</p>
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STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the

27 day of July A.D., 19 82 at 2:13 o'clock P.M., and duly recorded in

Vol M 82 of Mtge on Page 603

Fee \$ 8.00

By Ernest B. Biehn deputy

DATED: _____, 19 _____