

TRUST DEED

17533

as Grantor, Transamerica Title Insurance Company, as Trustee, and
PADDOCK REAL ESTATE COMPANY, an Oregon corporation
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: a portion of the NW $\frac{1}{4}$ of SE $\frac{1}{4}$ of Section 12, Township 39 South/EWM in the County of Klamath, State of Oregon, known as Tract H, more particularly described as follows: Beginning at an iron pin on the East line of Tract 10 in DE WITT HOME TRACT, which lies South 89°44' West a distance of 1354.6 feet and South 680.3 feet and South 89°22' West a distance of 30 feet and South a distance of 420 feet from the 1/4 section corner common to Section 7, Township 39 South, Range 9 EWM, and Section 12, Township 39 South, Range 8 EWM and running thence South 89°22' West a distance of 120 feet to an iron pin; thence South 60 feet to an iron pin; thence North 89°22' East a distance of 120 feet to an iron pin on the East line of the above-mentioned Tract 10; thence North along the East line of Tract 10 a distance of 60 feet more or less to the point of beginning. 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 ONE THOUSAND FOUR HUNDRED SEVENTY TWO AND 53/100s----- to the terms of a promissory

sum of ONE THOUSAND FOUR HUNDRED SEVENTY TWO AND 00/100 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 March 1, 1983.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment or 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 full insurable value, written in an amount not less than the full insurable value, shall be deemed to be, and such policies of insurance shall be delivered to the beneficiary as soon as the insurance is procured, and if the grantor shall fail for any reason to procure 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 grantor may procure the same at grantor's expense. The amount of any such policy of insurance may be applied by the beneficiary as to any indebtedness secured hereby and any amount so collected, or may determine, or at option of beneficiary, the entire amount so collected, or any part thereof, and may be paid to the grantor. Such application or release shall not constitute an admission of any default or notice of default hereunder or invalidate any action hereunder or any right of the beneficiary to sue and to pay all costs and expenses of suit.

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 due diligence 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, 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 paragraph 6 hereof, 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 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 nonpayment thereof shall, at the option of the beneficiary, 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.

tees actually incurred. In and to 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 the mortgage, the beneficiary's and expenses, including the 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 shall be fixed by the appellate court. Grantor hereby agrees to pay such sum as the appellate court may determine to be reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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 sue for and recover all or any portion of the monies payable as compensation or damages for such taking, which are in excess of the amount required to satisfy the claims of the public. Beneficiary shall be entitled to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be entitled to recover costs and expenses and attorney's fees, applied by it first upon such proceedings, shall be entitled to recover costs and expenses and attorney's fees, 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 actions and execute such instruments as shall be necessary or requisite in obtaining such compensation or damages.

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 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 evidence 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, by agent or by receiver to be appointed by a court of competent jurisdiction, enter upon and take possession of any security located at the premises hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and pay the taxes, assessments and expenses of operation and collection and reasonable attorney's fees and expenses, and in addition be subrogated to and exercise all the rights and remedies of the lender 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 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 by exercising its power of sale, or direct the trustee to foreclose this trust deed by exercising its power of sale, or direct the trustee to execute the trust deed by advertisement and sale. In the latter event the beneficiary or the trustee may execute and cause to be recorded its written notice of sale, and the trustee shall sell the said described real property to satisfy the obligations secured hereby, whereafter the proceeds of sale shall be distributed to the beneficiary thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.740 to 86.795.

the manner provided in ORS 86.740 to 86.793.

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, respectively, the entire amount then due under the terms of the trust deed secured thereby (including costs and expenses actually incurred in obligation secured thereby) plus attorney's fees not exceeding the terms of the obligation secured thereby, and the principal owing thereunder (whether or not demanded by law) other than such portion of 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 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 may pay the purchase price in cash or by promissory note payable at the time of sale. Trustee auctioneer to the grantor and the purchaser shall be conclusively proof of the sale. The trustee shall deliver to the purchaser its deed in form as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed shall be conclusively 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 a reasonable charge by trustee's attorney, (2) to the obligations secured by the trust deed, (3) to all persons having recorded liens or claims against the property, (4) to the interest of the grantor or his successors in interest in the order of their priority and (5) 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, the beneficiary, by conveyance to the successor trustee, shall be deemed to have transferred with all title, powers and authority to the successor trustee, the trust herein created with all title, powers and authority. Each such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to this instrument and to the instrument executed by beneficiary, containing reference to this instrument, and to the public records and its place of record, which, when recorded in the public office of the County Clerk of each of the counties in which the property is situated, shall constitute 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.)

(ORS 93.490)

STATE OF OREGON,) ss.

County of Klamath)
November 30, 1982.

Personally appeared the above named

JAMES C. DOWNS and LEANNA J. DOWNS, husband and wife,

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

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 11-2-86

STATE OF OREGON, County of) ss.
November 30, 1982.

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: _____, 1982.

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.

JAMES C. DOWNS

LEANNA J. DOWNS

Grantor

PADDOCK REAL ESTATE COMPANY, an Oregon corporation

Beneficiary

AFTER RECORDING RETURN TO

Paddock Real Estate Co.
2972 So. 6th St.
City, 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,) ss.
County of Klamath

I certify that the within instrument was received for record on the 10 day of Dec., 1982 at 11:05 o'clock AM., and recorded in book/reel/volume No. M82 on page 17533 or as document/fee/file instrument/microfilm No. 18238 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk

By _____ Deputy
Fee \$8.00