

TRUST DEED

Vol. M83 Page 10299

as Grantor, MOUNTAIN TITLE COMPANY, INC.

ALBERT BONOTTO and LORRAINE A. BONOTTO, husband and wife
as Beneficiary,

WITNESSETH:

WITNESSETH:
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

Beginning at a point in Lot 11 in Block 113 of BUENA VISTA ADDITION to the City of Klamath Falls, Oregon, which said point is the intersection of the Westerly line of California Avenue and the Southerly line of Arch Street; thence along the Easterly line of said lot to the Southeasterly corner thereof; thence along the Southerly line of said lot, 100 feet; thence on a line parallel with the Westerly line of California Avenue to the Northerly line of said lot; thence to the place of beginning; being the Easterly 100 feet of Lot 11 in Block 113 of Buena Vista Addition to the City of Klamath Falls, Oregon, less the Westerly 3 feet of said described premises conveyed to T. B. Watters by Deed dated April 1, 1942, and recorded March 6, 1944, in Book 163 at page 51, Deed Records of Klamath County, Oregon.

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-FIVE THOUSAND AND NO/100 (\$45,000.00)-----

sum of Forty-five thousand 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 24 1988 ** (see reverse side)

not sooner paid, to be due and payable June 24, 1900 (see reverse side)
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:

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 and when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary is a partnership, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for all filing same in 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 insured may from time to time require, in an amount not less than the full insurable value, written in an amount acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary, and such insurance and to it the grantor shall fail for any reason to pay the sum insured, or 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 of any premium paid by the grantor for any such policy shall be collected under any fire or other insurance policy may be so ordered as beneficiary cary upon any indebtedness secured by the beneficiary the entire amount so collected, or may determine, or suit option, to release to grantor. Such application or release shall not constitute a release of liability on the part of the grantor, and he will defend or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To cause to be constructed, completed, maintained and to pay all

not cure or waive an act or neglect pursuant to such notice.

5. The promisor said promises 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, insurance premiums 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 4 hereof 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, the interest as aforesaid, the provisions hereinbefore described, as well as the grantor, shall be bound to the same extent that the trust 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.

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 the deed, to pay all costs and expenses, including 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 appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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4. 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 the full amount of the compensation awarded for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees incurred by beneficiary in such proceedings, and to pay all reasonable costs, expenses and attorney's fees incurred by grantor in such proceedings, and to pay all reasonable costs and expenses and attorney's fees, applied by it to the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied by beneficiary as attorney in such proceedings, and to pay all reasonable costs, expenses, to take such actions secured hereby; and grantor agrees that it shall be its duty, to take such actions and execute such instruments as shall be necessary in obtaining such compensation and interests of beneficiary.

5. Beneficiary shall 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 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 to the property" 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, the beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by the court, without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name as owner of said property, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of collection, including reasonable attorney's fees, to 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 all sums secured hereby immediately due and payable. In such an event the beneficiary at law 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 of his intention to sell the said described real property to satisfy the obligations secured hereby whereupon the trust shall be required by law and proceed to foreclose this trust deed in the manner 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 the deed to pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses necessarily incurred in enforcing the terms of the obligation and the attorney's fees not exceeding the amount of the principal due) other than such portion of the principal due as may have then been 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 by 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 same at public auction to the highest bidder before noon of the day of the time of sale. Trustee shall execute a deed in favor of the purchaser in the form required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any material fact shall be conclusively proof of the truthfulness thereof. Any person claiming to be the beneficiary, if not the trustee, 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 obligation of the trust deed, (3) to all persons having recorded claims subsequent to the interest of the trustee in the trust deed in 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 time 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 named herein or to any time 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 Clerk or Recorder of the county or counties in which the property is situated, shall constitute the 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.
**Before the end of five (5) years, Grantors will attempt to refinance at a rate not more than 12% and show sellers proof thereof. Grantors will continue to refinance every 6 months thereafter and continue to show seller proof thereof. This shall serve as the grantor's agreement to extend to the terms of Trust Deed and Note until due and payable in full June 24, 1989.
(a) primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below),
(b) for any other purpose not for business or commercial 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.)

Finley H. Mallory
Finley H. Mallory
Jeanette M. Mallory
JEANETTE M. MALLORY

STATE OF OREGON,
County of Klamath } ss.
June 30, 1983

Personally appeared the above named
FINLEY H. MALLORY and JEANETTE M. MALLORY

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

Before me:
Kristi L. Garrison
Notary Public for Oregon
My commission expires: 6/19/87

STATE OF OREGON, County of _____ 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)

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____

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. 881-1)

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

Mr. & Mrs. Finley H. Mallory

Grantor

Mr. & Mrs. Albert Bonotto

Beneficiary

AFTER RECORDING RETURN TO

MOUNTAIN TITLE COMPANY, INC.
82555

SPACE RESERVED FOR RECORDER'S USE

STATE OF OREGON, County of Klamath } ss.

I certify that the within instrument was received for record on the 30th day of June, 1983, at 1:28 o'clock P.M., and recorded in book/reel/volume No. M83 on page 12299 or as document/fee/file/instrument/microfilm No. 25227. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
By: _____ Deputy
Fee \$8.00