WHEN RECORDED MAIL TO

WILLAMETTE SAVINGS & LOAN ASSN. P.O. Box 5555 Portland, Oregon 97228 Vol.<u>M83</u> Page

12762

BETTE POLLY

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## DEED OF TRUST

THIS DEED OF TRUST is made this. 25th day of JULY

19.83, among the Grantor, KLAMATH DEVELOPMENT COMPANY, an Oregon corporation

COMPANY———— (herein "Borrower"), TRANSAMERICA TITLE INSURANCE

WILLAMETTE SAVINGS AND LOAN ASSOCIATION, (a division of American Savings and Loan Association, A Utah

Corporation), whose address is P.O. Box 5555, Portland, Oregon 97228 (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of State of Oregon:

## EXHIBIT "A"

The Part of the State of the St

A parcel of land situated in Lot 33, Block 1, Tract 1083 CEDAR TRAILS, Section 20, Township 40 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at a 5/8" iron pin at the Northwest corner of said Lot 33, Block 1; thence South 70° 00' 35" East 164.37 feet along the North boundary of Lot 33, Block 1 to a ½" iron pin; thence boundary of Lot 33, Block 1; thence West 154.50 feet along the South line of Lot 33, Block 1; thence West 154.50 feet along the corner of Lot 33, Block 1; thence North 00° 02' 28" East 451.30 feet along the West line of Lot 33, Block 1 to the point of

34 U.34 U.34

which has the address of Hills

Hillsdale Trail (Cedar Trails)

Keno

Oregon 97627
(State and Zip Code)

......(herein "Property Address");

MENDESHET ....

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

OREGON—1 to 4 Family-6/75°-FRMA/FHLMC UNIFORM INSTRUMENT

Sign

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

UNITOM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower and Lender covenant and agree as follows:

1. Individual of the Principal of Interest. Borrower and Interest and Promptly pay when due the principal of and interest on any Future Advances series Note, prepayment and I have charge as a provided in the Note, and the principal of and interest on any Future Advances series Note, prepayment and I have charge as a provided in the Note, and the principal of an interest on any Future Advances series Note, prepayment and I have charge as a provided in the Note, and the Property of the yearly taxes and payable under the Note, until the Note is paid in India to the India of Property of the yearly taxes and payable under the Note, until the Note is paid in India to the India of Property of the yearly taxes and payable under the Note, until the Note is paid in India to the India of Property of the yearly taxes and payable under the Note, until the Note is paid in India to the India of Property of the Yearly taxes and payable under the Note, until the Note is paid in India to the India of Property of the Yearly taxes and payable under the Note, until the Note is paid in India time to India of Property of the Yearly taxes and payable under the Note is paid in India time to India of the India of Indi

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof. Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly

Borrower snail give prompt notice to the insurance carrier and Lender. Lender may make proof of loss it not made promptly Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair is economically feasible and the security of this Deed of Trust is be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust would date notice is mailed by Lender to Borrower, or if Borrower fails to respond to Lender within 30 days from the sums secured by this Deed of Trust, or it be sums secured by this Deed of Trust would is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property is abandoned by Borrower of the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of acquisition shall pass to Lender to the extent of the Property is acquired by Lender, all right, title and interest of Borrower or acquisition and Maintanance of Borrower by this Deed of Trust immediately prior to the sale or Borrower by this Deed of Trust immediately prior to such sale or

acquisition.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the Property condominium or planned unit development, and constituent documents. If a condominium or planned unit development, and constituent documents. If a condominium or planned unit development or planned unit development, and constituent documents. If a condominium or planned unit development or planned unit development, and regulations of the work a part hereof.

shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider X-2. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this paragraph of the covenants and agreements or proceeding is commenced which materially affects Lender's interest in the Property. The covenants and agreements or proceedings including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances in the Property, areasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance with Borrower's and amanen provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment, such permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender applicable law. Nothing contained in this paragraph 7 shall require Lender to Note unless payment of interest 3. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided the Property.

26500

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any and shall be paid to Lender.

To the proceeds of any award or claim for damages, direct or consequential, in connection with any and shall be paid to Lender.

and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion which the amount of the sums secured by this Deed of Trust such proportion of the proceeds taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds

paid to Borrower, is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

such installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right successively.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower; contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower; subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner. (a) any notice to the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and such other address as Lender may designate by notice to Borrower at (b) any notice to Lender shall be given by critified mail, return receipt requested, to Lender's address stated herein or to Deed of Trust; shall be deemed to have been given to Borrower as provided herein. Any notice provided for in this 15. Uniform Deed of Trust; critical shall be given by the law of the privation of trust combines uniform covenants for covering real property. This Deed of Trust shall be governed by the law of the invidence in the manner designated herein not offer real property. This Deed of Trust and the Note on introduction in which the Property is located, not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of this Deed of Trust and the Note whi

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the Borrower, (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice specified in the inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies permitted by applicable paragraph 18, including, but not limited to, reasonable attorney's fees.

law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold, and shall cause such notice to be recorded manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public parcels and in such order as Trustee may place and under the terms designated in the notice of sale in one or more public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, the expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust. Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time Deed of Trust of (ii) entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust, the Note and notes securing Fruitire Advances, if any, had no acceleration occurred; Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require

secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by a decident of the Property including those past due. All rents collected by Lender or the receiver shall be entitled to enter upon, take possession of and manage the Property and to collect to of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on all. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the shall be secured by this Deed of Trust when evidenced by Promissory notes stating that said notes are secured hereby.

12. Reconveyance. Upon payment of all sums secured by this Deed of Trust and all notes are secured hereby.

23. Substitute Trustee, In accordance with applicable law, Lender may from time to time remove Trustee and appoint a succeed to all the file. Property is not currently and law of the property without warranty and without conveyance of the property. The power is a property without warranty and without conveyance to the person or persons legally entitled associated by the property. The property is not currently and limited to applicable law. Lender shall request Trustee and appoint a succeed to all the file, power and duties conferred upon the Trustee herein and by applicable law.

24. Use of Property. The Property is not currently used for agricultural, timber or grazing purposes.

25. Attorney's Fees. As used in this Deed of Trust and in the Note, "attorney's fees" shall include attorney's fees, if In WITNESS WHEREOF, Borrower has executed this Deed of Trust. KLAMATH EVELAPMENT County ss: ....., 19. 5... personally appeared the above named the foregoing instrument to be... voluntary act and deed. and acknowledged (Official Seal) My Commission expires: 11-2-86 REQUEST FOR RECONVEYANCE TO TRUSTEE: The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto. STATE OF OREGON. County of Blamat before me appeared E. J. SHIPSEY duly sworn, did say that he, the said E. J. SHIPSEY both to me personally known, who being is the President, and he, the said ---is the Secretary of KLAMATH DEVELOPMENT COMPANY the within named Corporation, and that the seal affixed to said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board acknowledge said instrument to be the free act and deed of said Corporation.

IN TESTIMONY WHEREOF, I have hereunto set my STATE OF OREGON, ) seal the day and County of Klamath ) Filed for record at request of ublic for Oregon. My Commission expires.

on this 2 day of Aug A.D. 19.83 at con-3:29 o'clock P. M. and duly recorded in Vol. M83 of mtges 12762 EVELYN BIEHN County Clerk 16.00 for record on some