

Walter Bradley Reed and Gloria J. Reed, Husband and Wife
MOUNTAIN TITLE CO., INC., as Trustee, and

Dale L. Mullica and Sandra S. Mullica, Husband and Wife

WITNESSETH

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:

Lot 2, Block 2, COUNTRY GARDENS, according to the official plat thereof on file in the office of the County Clerk 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 SEVEN THOUSAND FIVE HUNDRED AND NO/100 Dollars, with interest thereon according to the terms of a promissory

sum of SEVEN THOUSAND FIVE HUNDRED 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 PER TERMS OF NOTE, 1919, removed by this instrument is the date, stated above, on which the final installment of said note

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.

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 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 documents and 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 proper public office or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the building 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, for an amount not less than \$....., written in companies acceptable to the beneficiary, with loss payable to the latter; and policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and 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 building, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such amount as the beneficiary may determine, or at option of beneficiary the entire amount so collected, may in any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

not cure or waive any default or failure of performance by the Trustee or the Trust, and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of the proceeds, assessments, and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; and in the event the Trustee or the Trust fails to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, with which the Trust is bound to pay or by providing beneficiary with the option to make payment thereof, make such payment, beneficiary may, at any time and from time to time, at the rate set forth in the note secured by the deed and the amount so paid, with the obligations described in paragraphs 6 and 7 of this deed hereby, together with all obligations described in paragraphs 6 and 7 of this deed, shall be added to and become a part of the debt secured by the deed, and shall be added to and become a part of the debt secured by any of the covenants hereof without waiver of any rights arising from the covenants as aforesaid, the proper covenants hereof and for such payments, and the Trustee, the Trust and the grantor, shall be bound to the party hereinbefore described, and shall be bound for the payment of the obligation hereinbefore stated, and all such payments shall be immediately due and payable, with interest, and all such payments shall be immediately due and payable to the beneficiary, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this deed, and all sums secured by this trust deed immediately due and payable and constitute a breach of this deed, and the fees and expenses of this trust including the cost of this search, as well as the other costs and expenses of the trustee and attorney in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

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 for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; and 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 rendered by the trial court, grantor further agrees to pay such sum as the decree of the trial court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such 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 condemnation, beneficiary shall have the right, if so elects, to require that all or any portion of the monies payable for such taking, including attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and to pay all reasonable costs, expenses and attorney's fees necessarily incurred by grantor in such reasonable costs and expenses and attorney's fees applied by it first up to such reasonable 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 up to the amount of monies secured hereby; and grantor agrees, at its own expense, to take such action and execute such instruments as beneficiary may request.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an individual or a company registered in the state of California, or a company organized under the laws of any other state or country and authorized to do business under the laws of this state, its subsidiaries, affiliates, agents or branches, the United States or any other country.

[illegible]

10. Upon any default by grantor hereunder, 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 the indebtedness hereby secured, enter upon and take possession of said premises, or any part thereof, in its own name sue or otherwise collect the principal and any profits, including those past due and unpaid, and apply the same to the payment of the indebtedness hereby secured, less the reasonable attorney's fees upon 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 hire 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.

waive any default of notice or demand of foreclosure in writing pursuant to such notice. In 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 event the beneficiary at his or her option may proceed to foreclose this trust deed or in equity as a court of law may direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee may advertise and cause to be recorded his written notice of sale, and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the property shall be sold at the time and place of sale, give notice thereof then required by law and proceed to foreclose this trust deed in accordance with the provisions of the Oregon Trust Deed Act, ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged under ORS 86.735, may cure the default or defaults. If the trustee has notice of a failure to pay, when due, of any sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided in ORS 86.735.

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 the 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 at the time of sale, Trustee's auction to the highest bidder for cash, in form as required by law conveyance shall deliver to the purchaser without any covenant or warranty, express or implied, the property so sold but without 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.

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 fee for the trustee's attorney, (2) to the obligation secured by the mortgage, (3) to all other debts, and (4) to the obligation secured by the mortgage of the trustee in the trust having recorded liens subsequent to the date of their priority and (4) in surplus, if any, to the grantor or to his successor in interest entitled to such surplus, as the court may determine.

16. 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 latter shall be deemed to be the trustee, with all title, powers and duties conferred upon the trustee herein named or appointed hereunder. Each such appointment shall be made by written instrument recorded by beneficiary and substitution shall be made by written records of the county or counties in which, when recorded in the mortgage records, shall be conclusive proof of proper appointment, which the property is situated, of 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 obligated to notify any party hereto of pending sale under any other deed, 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 696.535.

13805

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

MORTGAGE TO THE STATE DEPARTMENT OF VETERANS AFFAIRS, DATED October 12, 1979
Recorded October 12, 1979 and Recorded in Volume M79 Page 24099, Klamath County, Oregon.
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.)

STATE OF OREGON,

County of Klamath) ss.

August 9, 1984

Personally appeared the above named
Walter Bradley Reed and
Gloria J. Reed

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

(OFFICIAL SEAL)

Before me:

Darlene J. Hunter
Notary Public for Oregon

My commission expires: 6-16-88

(ORS 93.490)

STATE OF OREGON, County of) ss.

Personally appeared , 19

and
duly sworn, did say that the former is the who, each being first
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

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. 881-1)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

MOUNTAIN TITLE COMPANY, INC.
407 Main Street
Klamath Falls, Oregon 97601

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 10th day of August, 1984, at 3:25 o'clock P.M., and recorded in book/reel/volume No. M84 on page 13804 or as document/fee/file/instrument/microfilm No. 39942, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
By *Theresa Smith* Deputy

Fee: \$8.00