

MTG-14418
TRUST DEED

Vol. 1784 Page 21554

as Beneficiary.

WITNESSETH:

Lot 29, Block 15, TRACT NO. 1064, FIRST ADDITION TO GATEWOOD, 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.

----- 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 December 26, 1985.

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

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.

3. To comply with all laws, ordinances, regulations, decrees, 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 the full sum 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.

b-2. Beneficiary shall provide and continuously maintain insurance on the buildings now or hereafter located on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require in an amount not less than \$ _____, written in companies acceptable to the beneficiary, with loss payable to the latter. All policies of insurance shall be delivered to the beneficiary as soon as issued; if the grantor shall fail for any reason to procure any such insurance and its driver and policy to the beneficiary at least fifteen (15) days prior to the time that the fire insurance on the buildings now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby, and in the entire order of beneficiary may determine, or at option of beneficiary, the entire amount may be paid to any party then residing on the premises. Such action or release shall not constitute a waiver of default or notice of default hereunder or constitute any act done pursuant to such notice.

5. To keep said property 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, 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 paragraphs 6 and 7 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, with interest as aforesaid, the promissory hereinbefore described, as well as the grantor, shall be bound to the extent that the said payments shall be the payment of the obligation herein described, and such payments shall be immediately due and payable with interest and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and 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 supporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiaries or trustee may appear, including any suit for the enforcement 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 paid by the trial court and in the event of an appeal from the trial court, the appellant or the appellee court shall advance, treatable as the beneficiaries or trustee's attorney's fees on such appeal.

It is mutually agreed that:

[illegible]

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

g. consent in the making of any map or plat of land property, the person granting any easement or creating any restriction thereon, to join in any modification or other agreement affecting the land or the charge thereon, or to execute any instrument which is a part of the property. The grantee of any easement may be deemed as the person to perform any act required therein, and the grantee thereon of any matters or facts shall be the conclusive proof of the truthfulness thereof. Trustee fees for any of the services mentioned in the paragraph shall be not less than \$1.

17. If there are doubts as to whether beneficiaries may, at any time, without notice, be appointed as trustees, it is suggested that the instrument be so worded as to require, in addition to the appointment of any security for the beneficiaries being required, entry upon and taking possession of real and personal property, or any part thereof, in its own name, or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees up to a predetermined amount, and in such order as best to protect the interests of the beneficiaries.

11. The entering upon and taking possession of said property, the return of such sums 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 acquisition 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 to be due and payable. In such event, the beneficiary or his election may proceed to foreclose this trust deed in equity as a mortgage or demand 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 his election to sell the said described real property to satisfy the obligations secured hereby. The trustee shall, at the time and place of sale, give notice thereof as then required by law, and proceed to foreclose this trust deed in the manner provided in CRS § 57-74) to §§ 785.

13. Should the beneficiary elect to foreclose by advertisement and sale after default at any time prior to the date last so set forth by the trustee, the trustee shall pay to the beneficiary or other person so privileged by ORS 66.280, may 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 actually incurred in enforcing the terms of the obligation and trustee and attorney's fees not exceeding the amounts provided by law, with interest on such payments from the date of payment to the date of payment, and the trustee shall thereupon cause the debt to be discharged and the deed to be cancelled, in which event all foreclosure proceedings shall be deemed by the trustee.

Citizens. 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 shall sell the parcel or parcels at auction to the highest bidder who pays cash. The trustee may sell the property in the manner and form as required by law conveying the property as sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truth thereof. Any person other than the trustee, but including the dispositive 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 expense of sale, including the compensation of the trustee and a reasonable charge for trustee's attorneys, (2) to the satisfaction of the trust debt (3) to all persons entitled to the principal of the trust 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 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. The appointment of a successor trustee shall be evidenced by an instrument executed by beneficiary, containing reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county wherein the property is situated, shall constitute a full and complete assignment of the trust property situated in that county to the proper accounts 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 or 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 636.515 to 636.565.

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 personal purposes (see Important Notice 2005)~~
(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 appropriate.)

STATE OF OREGON,) ss.

County of Klamath)
December 26th, 1984.

Personally appeared the above named
Lee W. Matchett and Jannette M.
Matchett

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

Before me:

(OFFICIAL
SEAL)

Terrill L. Stocumen
Notary Public for Oregon

My commission expires: 3-14-87

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

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

SPACE RESERVED

FOR

RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO:

South Valley State Bank
5215 So. Liberty St.
KFO 97603

Fee: \$3.00

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 26th day of December, 1984, at 2:33 o'clock P.M. and recorded in book reel volume No. 101, on page 21554, or as document fee file instrument/microfilm No. 101,58. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Blehn, County Clerk

By *Ann Smith* Deputy