

THIS TRUST DEED, made this 2nd day of MARCH, 1985, between

DUAINE J. & GAY G. KLINE, husband and wife, as Grantor,
Safeco Title Insurance Company, as Trustee, and
SOLAR ENERGY EQUIPMENT DESIGN, 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 73, Merryman's Replat of Vacated portion of Old Orchard Manor
 according to the official plat thereof on file in the office of the
 County Clerk of Klamath County, Oregon.

which real property is not currently used for agricultural, timber or grazing purposes, 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 thereafter attached to or used in connection with said real estate:

For the purpose of securing: (1) Payment of the indebtedness and all other lawful charges evidenced by a Retail Installment Contract of even date herewith, made by grantor, payable to the order of beneficiary at all times, in the manner as therein set forth, having a Total of Payments of \$ 16,689.60, payable in 120 monthly installments of \$ 139.08, with an Annual Percentage Rate of 16.000%, with an Amount Financed of \$ 8,200.00, and any extensions, renewals or modifications thereof; (2) performance of each agreement of grantor herein contained; and (3) payment of all sums expended or advanced by beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

To protect the security of this trust deed, grantor agrees:

1. To keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workman-like manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; and do all other acts which from the character or use of said property may be reasonably necessary; the specific enumerations herein not excluding the general.
2. To provide, maintain and deliver to beneficiary insurance on the premises satisfactory to the beneficiary and with loss payable to the beneficiary. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine; or at option of beneficiary the entire amount so collected or 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.
3. To pay all costs, fees and expenses of this trust including the cost of title search as well as other costs and expenses of the trustee incurred in connection with or enforcing this obligation, and trustee's attorney's fees actually incurred as permitted by law.
4. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee; and to pay all costs and expenses, including costs of evidence of title and attorney's fees in a reasonable sum as permitted by law, in any such action or proceeding in which beneficiary or trustee may appear.
5. To pay at least ten (10) days prior to delinquency all taxes or assessments affecting the property; to pay when due all encumbrances, charges and liens with interest on the property or any part thereof that at any time appear to be prior or superior hereto.
6. If grantor fails to perform any of the above duties to insure or preserve the subject matter of this trust deed, then beneficiary may, but without obligation to do so and without notice to or demand on grantor and without releasing grantor from any obligation hereunder, perform or cause to be performed the same in such manner and to such extent as beneficiary may deem necessary to protect the security hereof. Beneficiary may, for the purpose of exercising said power, enter onto the property; commence, appear in or defend any action or proceeding purporting to affect the security hereof or the rights and powers of beneficiary; pay, purchase, contest or compromise any encumbrance, charge or lien, which in the judgement of beneficiary may incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor including cost of evidence of title, employ counsel and pay his reasonable fees. Grantor covenants to repay immediately and without demand all sums expended hereunder by beneficiary, together with interest from date of expenditure at a rate of ten percent (10%) per annum until paid, and the repayment of such sums are secured hereby.

It is mutually agreed that:

7. Any award of damages in connection with any condemnation for public use of or injury to said property to any part thereof is hereby assigned and shall be paid to beneficiary who may apply or release such monies received by it in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.
8. If all or any part of the property or an interest therein is sold or transferred by Grantor without Beneficiary's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Trust Deed, (b) the creation of purchase money security interest for household appliances or (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be immediately due and payable. Beneficiary shall have waived such option to accelerate if, prior to the sale or transfer, Beneficiary and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Beneficiary and that the interest payable on the sums secured by this Trust Deed shall be at such rate as Beneficiary shall request.
9. Upon any default by grantor, the beneficiary may at any time, without notice, either in person or by agent, and without regard to the adequacy of any security for the indebtedness secured, enter upon and take possession of the property or any part of it, and that the entering upon and taking possession of the property shall not cure or waive any default or notice of default or invalidate any act done pursuant to such notice.
10. Upon default by grantor in payment of any indebtedness secured or in his performance of any agreement, the beneficiary may declare all sums secured immediately due and payable. In such event beneficiary at its election may proceed to foreclose this trust deed in equity in the manner provided by law for mortgage foreclosures 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 its written notice of default and its election to sell the said described real property to satisfy the obligations secured hereby and proceed to foreclose this trust deed in a manner provided by law.
11. If after default and prior to the time and date set by trustee for the trustee's sale, the grantor or other person pays the entire amount then due under the terms of the trust deed and the obligation secured thereby, the grantor or other person making such payment shall also pay to the beneficiary all the costs and expenses actually incurred in enforcing the terms of the obligation as permitted by law.
12. Upon any default by grantor hereunder, grantor shall pay beneficiary for any reasonable attorney's fees incurred by beneficiary consequent to grantor's default.
13. After a lawful lapse of time following the recordation of the notice of default and the giving or notice of sale the trustee shall sell the property as provided by law at public auction to the highest bidder for cash payable at the time of sale. Trustee shall deliver to the purchaser a deed without express or implied warranty. Any person excluding the trustee may purchase at the sale.

14. When the trustee sells pursuant to the powers provided, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including lawful fees of the trustee and the reasonable fees of trustee's attorney, (2) the obligations secured by this trust deed, (3) to all persons having recorded liens subsequent to the interest of the beneficiary and the trust deed as their interest 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.

15. For any reason permitted by law, the 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.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the Retail Installment 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, the grantor has hereunto set his hand and seal the day and year first above written.

Richard K. Johnson
Witness

Duane J. Kline
Grantor

Richard K. Johnson
Witness

GAY G. KLINE
Grantor

Richard K. Johnson
Witness

STATE OF OREGON, County of KLAMATH
Personally appeared the above named RICHARD K. JOHNSON and DUANE J. & GAY G. KLINE and acknowledged the foregoing instrument to be DUANE J. & GAY G. KLINE My commission expires 3-4-87

Before me: RENEE M. STUCKEY
Notary Public in and for the State of Oregon
My commission expires 3-4-87

COUNTY OF KLAMATH
For value received, SOLAR ENERGY EQUIPMENT DESIGN, an Oregon corporation, the within Trust Deed and the indebtedness secured thereby, of this deed assign and set over to American Savers Mortgage Corporation, an Oregon corporation, the within ASSIGNMENT and deed.

This 2nd day of MARCH, 19 85
Witness: Danella J. Moore
Notary Public in and for the State of Oregon

ASSIGNMENT - FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged and confessed, Assignor hereby sells, assigns, transfers, and sets over to American Savers Mortgage Corporation, Lake Jackson, Texas, this Deed of Trust and the Retail Installment Contract together with all of Assignor's right, title and interest in and to the other property therein described.

EXECUTED THIS 4th day of April, 19 85
By: Robert C. Buxman
Notary Public in and for the State of Oregon

COUNTY OF Multnomah
Personally appeared the above named Robert C. Buxman and acknowledged the foregoing instrument to be his My commission expires 3-4-87

TRUST DEED	
STATE OF OREGON County of <u>Klamath</u>	
I certify that the within instrument was received for record on the <u>15th</u> day of <u>April</u> , 19 <u>85</u> at <u>3:01</u> o'clock <u>P</u> . M. and recorded in book <u>M85</u> on page <u>5439</u>	
Grantor	Beneficiary
AFTER RECORDING RETURN TO: <u>RENEE M. STUCKEY</u>	
Fee: \$9.00	