

THIS TRUST DEED, made this 3rd day of June, 19 85,
between George M and Karen K Malsom, as Grantor,
Mountain Title Company Inc., as Trustee, and
BarclaysAmerican/Financial, Inc., 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 21, THIRD ADDITION TO RIVER PINE ESTATES, according to the official
plat thereof on file in the office of the County Clerk of Klamath County, Oregon.
1977 Shelby Mobile Home

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 hereafter 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 promis-
sory note 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 \$ 13899.60, payable in 60 monthly installments of \$ 231.66,
with an Annual Percentage Rate of 21 %, with an Amount Financed of \$ 8563.10, and any extensions, renewals
or modifications thereof; (2) performance of each agreement of grantor herein contained; (3) payment of such additional
loans or advances as hereafter may be made to grantor, his successors or assigns, when evidenced by a promissory note
or notes reciting that they are secured by this trust deed, except that the total indebtedness secured by this trust
deed shall not exceed \$ 13,899.60; (4) payment of all sums expended or
advanced by beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

If any installment is not paid within 10 days after its scheduled due date on loans with an original maturity of 62 months
or less, grantors agree to pay a default charge not exceeding 5% of the unpaid amount of the installment or \$5, whichever is
less, except that if the 10 day period ends on a Saturday, Sunday, or legal holiday the 10 day period is extended to the next
business day.

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 and 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
powers; 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 judgment of beneficiary appears to be prior or superior hereto; and in exercising any such powers
beneficiary may incur any liability, expend whatever amounts in its absolute discretion it may deem necessary there-
for including cost of evidence of title, employ counsel and pay his reasonable fees. Grantor covenants to repay immedi-
ately 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 or 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 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 of 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 covenants or 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 the 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.

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.

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 note 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.

Mary Parker
Witness

George M. Malson
Grantor

Karen K. Malson
Grantor

Witness

STATE OF OREGON,)

) SS.

County of DESCHUTES)

Personally appeared the above named George M and Karen K. Malson (husband & wife) and

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

Before me, Joanne Jacobs
NOTARY PUBLIC
STATE OF OREGON
FORM NO. 9915B (Rev. 7/82)

My commission expires: 2/27/85
Notary Public

RETURN:

8430

BARCLAYS AMERICAN FINANCIAL
P.O. BOX 7318
BEND, OR 97703

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record ..
this 6th day of June A. D. 19 85 at 3:38 o'clock P M., and
duly recorded in Vol. M85, of Mortgages on Page 8428.
By EVELYN BIEHN, County Clerk

Fee: \$13.00