

TRUST DEED

Vol. M85 Page 11818

as Grantor, William M. Ganong, as Trustee, and

WITNESSETH:

All Lot 4 in Block 39 of Hot Springs Addition to the City of Klamath Falls, Oregon,
and that portion of Lot 5 in Block 39 of Hot Springs Addition to the City of
Klamath Falls, Oregon.

Beginning at the most Northeasterly corner of Lot 5 in Block 39, Hot Springs Addition; thence Southwesterly along the Northwesterly line of said Lot 5, a distance of 93 feet to a point; thence Southeasterly and parallel with the Northeasterly line of said Lot 5, 25 feet, to a point; thence Northeasterly and parallel with the Northwesterly line of said Lot 5, 93 feet to a point in the Northwesterly line of said Lot; thence Northwesterly along the said Northwesterly line 25 feet to the point of beginning

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 Eleven thousand Dollars Dollars with interest thereon according to the terms of a promissory

Sum of Eleven thousand Dollars ----- 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, is due on or before the 23 July, 1992. -----

Not sooner paid, to be due and payable 23 July 1992

The date of maturity of the debt secured by this instrument is the date, _____, when the debt becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary named herein, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, shall become immediately 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.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon and pay when due all costs incurred therefor.

man, any building or improvement thereon, 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 obtain and submit such financing statements pursuant to the Uniform Commercial Code as may be required by law; to pay for and to reimburse the donor for the cost of the principal office at the beneficiary may require and to pay for filing searches made proper at public office or offices, as well as the cost of all fees charged by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To cause to be continuously maintained insurance on the buildings

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, in amount not less than \$ _____, written in _____, payable to the beneficiary, and the latter: also

and such other hazards as the beneficiary may from _____, written in and amount not less than \$_____, _____, latter; all _____ companies acceptable to the beneficiary with loss payable to the beneficiary as soon as insured _____ policies of insurance _____ be delivered to the beneficiary as soon as insured _____ if the grantor or grantors fail for any reason to procure any such insurance _____ expiration of _____ said policies to the beneficiary at least fifteen days prior to the expiration of _____ said buildings _____ of any policy of insurance now or hereafter in place for _____ expense. The amount _____ the beneficiary may procure the same _____ policy may be applied by beneficiary _____ collected under any fire or other _____ occurred hereby and in such order as beneficiary _____ may determine _____ option of beneficiary the entire amount so collected, _____ 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. _____ from construction liens and to pay a

not cure or waive any default or notice of default, and the grantor shall not act done pursuant to this notice of default.

5. To keep property described premises free from construction liens and to pay a 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 prompt 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 thereon and the amount so paid, with interest at the rate set forth in the note secured hereby, shall be added to and become a part of the debt secured by the note. If the trust deed, without waiver of any rights arising under the covenants, conditions, and covenants hereof and for such payments, with interest as aforesaid, the provisions hereinbefore described, as to the grantor, shall be bound to the same extent that they are bound for the payment of the obligation hereby described, and all such payments shall be immediately due and payable without notice, and 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. and defend any action or proceeding purporting

in connection with or in enforcing this lease, including reasonable attorney's fees actually incurred. Grantor agrees to defend and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee, and in any such action or proceeding in which the beneficiary or trustee may appear, including the foreclosure of this deed, to pay all costs and expenses, 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; 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, the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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 elected, to require that all or any portion of the monies payable in compensation for such taking, which are in attorney's fees necessarily paid or to pay all reasonable costs, expenses and disbursements, shall be paid to beneficiary and incurred by grantor in such reasonable costs and expenses and attorney's fees, applied by it first upon any such proceedings, necessarily paid or incurred by both in such proceedings, and the balance applied upon any such proceedings, as secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

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

[illegible]

10. Upon any default by grantor hereunder, lender or receiver to be at any time without notice, either in person, by agent or by attorney, may at any time without notice, either in person, by agent or by attorney, to the adequacy of any security for the loan hereby secured, enter upon and take possession of said property, together with any and all interest thereon, and all other property, real or personal, or any part thereof, in its own name sue or otherwise collect or receive any and all sums of money due or to become due to lender or receiver, with interest and profits, including those past due and unpaid, and with all reasonable costs and expenses of operation and collection, and including reasonable attorney's fees and expenses of operation and collection, 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 fire 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.

12. Upon the death of the grantor in payment of any indebtedness secured hereby 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 election may proceed to foreclose this trust deed in equity as a mortgage or the trustee may proceed to foreclose this trust deed as provided in the trust agreement. In the latter event the beneficiary or the trustee shall advertise the same for sale and the cause to be recorded his written notice of default and his election to foreclose. The trustee shall execute and deliver to the beneficiary or to sell the said described real property to satisfy the indebtedness secured hereby whereupon the trustee shall file with the county clerk of the county wherein the same is located a notice of sale, give notice thereof as then required by law and proceed to foreclose this trust deed as provided in the trust agreement. ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement or 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 by ORS 86.735, may cure the default or defaults. If the default consists of a failure to pay, the sums secured by the trust deed, the defaults may be cured by paying the entire amount due at the time of the cure. Any other default that is capable not then be due had no default. The person tendering the performance required under the obligation or trust deed, in any case, in addition to curing the default and 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 by law.

14. Otherwise, the sale shall be held on the date and at the time a place designated in the notice of sale or the time to which said sale may be postponed by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels in the parcel or parcels in the highest and best interest of the Trust. Auction to the highest bidder for cash, subject to the approval of the Trust. The trustee shall deliver to the purchaser a deed in form as required by law conveying said property to the purchaser without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusively presumed to be true. Any person who purchases the property shall be bound by the truthfulness thereof. Any person may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trust shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the compensation of the trustee and a reasonable charge by trustee for his services, (3) the obligation secured by the trust deed, (4) to all persons having recorded liens subsequent to the interest of the trust in the property, (5) to the trustee in the order of his priority and (6) the balance to the grantor or his heirs, assigns, personal representatives or successors if any, to the grantor or to his successor in interest entitled to such surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

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 trustee or successor trustee shall have the same powers and duties conferred upon the trustee, the latter to be named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by the beneficiary and substitution shall be made by the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of a 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 of 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 606.505 to 606.585.

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 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.

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Personally appeared the above named

Louis S. Turk also know as
Lewis S. Turk

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

Before me:

COFFICIAL SEAL)
PUBLIC

Notary Public for Oregon

My commission expires: 2/15/89

STATE OF OREGON, County of _____) ss.

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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. 801)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

CERTIFIED MORTGAGE CO.
803 MAIN SUITE 103
KLAMATH FALLS, OR 97601-8040

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 26th day of July, 1985, at 2:51 o'clock P.M., and recorded in book/reel/volume No. 11818 on page 11818 or as fee/file/instrument/microfilm/reception No. 51463, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Frank Smith Deputy

Fee: \$9.00