

THIS TRUST DEED, made this 13th day of March 1986, between  
Mark A. Daniels and Kimberly K. Daniels, husband and wife

..... as grantor, William Sisemore, as trustee, and  
KALAMAZOO FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of the  
United States, as beneficiary.

**WITNESSETH:**

The grantor irrevocably grants, bargains, sells and conveys to the trustee, in trust, with power of sale, the property in Marion County, Oregon, described as:

Lot 11, Block 9, Tract No. 1079, SIXTH ADDITION TO SUNSET VILLAGE,  
in the County of Klamath, State of Oregon.

This instrument is being recorded as an accommodation only, and has not been examined as to validity, sufficiency or effect it may have upon the herein described property. This courtesy recording has been requested of ASPIEN TITLE & ESCROW, INC.

Grantor's performance under this trust deed and the note it secures may not be assigned to or be assigned by another party. In the event of an attempted assignment or assumption, the entire unpaid balance shall become immediately due and payable.

which said described real property is not currently used for agricultural, timber or grazing purposes.

...together with all and singular the appurtenances thereto, tenements, hereditaments, rents, dues, profits, water rights, easements or privileges now or hereafter belonging, and derived from or in any way in appertaining to the above described premises, and all plumbing, lighting, heating, ventilation, air conditioning, refrigerating, washing and heating, separate equipment and fixtures, together with all awnings, venetian blinds, floor coverings, place carpets, draperies, curtains, shades and window shades and built-in appliances now or hereafter installed in or used in connection with the above described premises, during the period of time which the grantor has or may hereafter acquire, for the purpose of securing payment of the sum of **Twenty seven Hundred Seventy One** and **No/100\*** \* \* \* **\$2,771.00**, and for payment thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary and holder of the same, principal and interest being payable in monthly installments of **\$33.97**, commencing

This form I need shall further ensure the payment of rent which was made by me, before the leaseholder has the right to lay claim to any part of the building or building by the owner of the property as may be demanded by a court of law. If the leaseholder demands payment of the rent due is refused by more than one year, the lessor may make legal payment required by it upon all of rent or the sum of my payment in one year and part of another at the beginning of my lease.

The upper teeth are held well in the trace and the bending needs to be just enough and properly placed so as to hold the horse and then as it becomes used to the trace, the bending will increase and the pressure will eventually get to the point where the horse begins to feel the effects of the action of the traces.

In addition to the regular payments for the principal amount of \$100,000, there will be other charges and expenses pertaining to the charter agree to pay to the lessor, together with an amount in addition to the monthly payment of principal and interest based upon the sum of the total obligations secured by the lease, including the amount of the principal of the lease, assessments and taxes, insurance premiums, and other expenses which may be incurred by such lessor in connection with the operation of the vessel, and the amount of the insurance premiums and other expenses which may be incurred by the lessee in connection with the operation of the vessel.

deficit, any balance remaining in the reserve account shall be credited to the  
trustee. If the reserve account for taxes, assessments, insurance premiums  
and other charges is not sufficient at any time for the payment of such charges  
as they become due, the grantor shall pay the deficit to the beneficiary upon  
demand, and if not paid within ten days after such demand, the beneficiary  
may at his option add the amount of such deficit to the principal of the  
trust or a part thereof.

Should the grantor fail to keep any of the foregoing covenants, then the beneficiary may, at its option carry out the same, and all its expenditures therefor shall draw interest at the rate specified in the note, shall be repayable by the grantor on demand and shall be secured by the lien of this trust deed. In this connection, the beneficiary shall have the right in its discretion to complete any improvements made on said premises and also to make such repairs to said property as in its sole discretion, it may determine.

The grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; 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 to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the beneficiary or trustee; to pay all costs, fees and expenses, including cost of evidence of title and attorney's fees in a reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and in any suit brought by beneficiary to foreclose this deed, and all spid sums shall be deducted by his attorney.

The beneficiary will furnish to the grantor on written request therefor an annual statement of account but shall not be obligated or required to furnish any further statement.

It is continually growing.

1. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, the beneficiary shall have the right to commence, prosecute in its own name, appear in or defend any action proceedings, or to make any compromise or settlement in connection therewith taking and, if it so elects, to require that all or any portion of the money's payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary applied by it first upon any reasonable costs and expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance so applied upon the indebtedness secured hereby; and the grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the beneficiary's request.

2. At any time and from time to time upon written request of the beneficiary, payment of his fees and presentation of this deed and the note for enforcement, (in case of full reconveyance, for cancellation), without affecting the validity of any part of this instrument, for the payment of the indebtedness, the trustee may (a) sell or cause to be taken of any map or plat of said property; (b) join in granting a lease or an easement or creating any restriction thereon; (c) join in any subordination agreement affecting this deed or the lien or charge hereof; (d) reconvey, all or any part of the property. The grantee in any reconveyance shall be described as "the person or persons legally entitled thereto" and the property therein, any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services in this paragraph shall be **XXXX** net less the **XXXX**

As additional security, grantor hereby assigns to beneficiary during the term of this note all rents, issues, royalties and profits of the property affected by this deed and of any improvements located thereon. Until paid in full, the default in the payment of any indebtedness incurred hereby or in the performance of any agreement hereunder, grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they become due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by registered mail, require the indebtedness hereby secured, enter upon and take possession of any property so indebtedness, in its own name sue for 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, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

6. The holder upon and taking possession of said property, the collection of rent rents, leases and profits or the proceeds of fire and other insurance policies or compensation or awards for any damage or damage of the property, and the application of related thereof, as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. The trustee shall notify beneficiary in writing of any sale or conveyance by reason of the above described property and furnish beneficiary on a term required by law with such pertinent information concerning the purchaser as should ordinarily be required of a new loan account and shall pay beneficiary in writing.

8. Time is of the essence of this instrument, and upon default by the trustee in payment of any obligations secured hereby or in performance of any agreement herein, the beneficiary may declare all sums secured hereby immediately due and payable by delivery to the trustee of written notice of default and election to sell, and the trustee shall cause to be sold at public auction on the first day of the month of default of said notice of default; and to the best of the trustee's knowledge, which includes trust deed and election to sell, the beneficiary shall appear with the trustee at the trust deed and all pre-allowable expenses and documents preceding expenditures incurred hereby, whereupon the trustee shall fix the time and place of sale and give notice thereof in then manner as may be required by law.

9. After default and any time prior to the days before the date set by the trustee for the trustee's sale, the grantor or other person so defaulting may pay the entire amount then due under this trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees and expenses) ~~AMOUNT~~ other than such portion of the principal as would then be due and payable if the trustee had not made the default.

10. After the lapse of time that as may then be required by law following the nonpayment of said amounts of default and giving of notice of sale, the trustee shall sell property at the time and place fixed by him in said notice of sale, either as a whole or in separate parcels, and in such order as he may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone the sale by public an-

nouncement at the time fixed by the preceding postponement. The trustee shall deliver to the purchaser his deed in form as required by law, conveying the property so sold, but without any covenant or warranty, express or implied. The recitals so in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee but including the grantor and the beneficiary, may purchase at the sale.

9. When the Trustee sells pursuant to the powers provided herein, the trustee shall apply the proceeds of the trustee's sale as follows: (1) To the expenses of the sale including the compensation of the trustee, and a reasonable charge by the attorney; (2) To the obligation secured by the trust deed; (3) To all persons having recorded liens subsequent to the interests of the trustee in the trust deed as their interests appear in the order of their priority; (4) The surplus, if any, to the grantor or the trust or to his successor in interest entitled to such surplus.

10. 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 trustee appointed hereunder. Upon such appointment and without conveyance to the successor trustee, the latter shall be vested with all title, power and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by the beneficiary, containing reference to this trust deed and its place of record, which shall be recorded in the office of the county clerk or recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record, as provided by law. The trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which the grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by the trustee.

12. This deed applies to, insures 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 ployee, 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/or neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal the day and year first above written.

*Mark A. Daniels* ..... (SEAL)  
Mark A. Daniels

*Kimberly K. Daniels* ..... (SEAL)  
Kimberly K. Daniels

STATE OF OREGON  
County of Klamath, etc.

THIS IS TO CERTIFY that on the 13th day of March, 19 86, before me, the undersigned, a Notary Public for said County and State, personally appeared the within named husband and wife, Mark A. Daniels and Kimberly K. Daniels, whose personally known to be the identical individuals named in and who executed the foregoing instrument and acknowledged to me that they executed it above freely and voluntarily for the uses and purposes therein expressed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

*Marlene J. Parker*  
Notary Public for Oregon  
My commission expires: 6-16-88

Deau No. 39-01233

## TRUST DEED

Mark A. Daniels

Kimberly K. Daniels

TO

KLAMATH FIRST FEDERAL SAVINGS  
AND LOAN ASSOCIATION

1000 Main Street, P.O. Box 1000, Klamath Falls, Oregon 97601  
An authorized branch office of the First Federal Savings and Loan Association of Portland, Oregon  
Klamath First Federal Savings and Loan Association  
Klamath First Federal Savings and Loan Association  
Klamath First Federal Savings and Loan Association  
Klamath First Federal Savings and Loan Association

(DON'T USE THIS  
SPACE RESERVED  
FOR RECORDING  
LABEL IN COUN-  
TIES WHERE  
USED.)

Fee: \$9.00

STATE OF OREGON } ss.  
County of Klamath }

I certify that the within instrument was received for record on the 14th day of March, 19 86, at 9:43 o'clock A.M., and recorded in book M86 on page 4309 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk  
County Clerk

By *Pam Smith*  
Deputy

## REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

For witness before \_\_\_\_\_, Deau.

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 evidence of indebtedness secured by said trust deed (which are delivered to you herewith together with said deed and its recitals, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same).

Klamath First Federal Savings & Loan Association, Beneficiary,  
by \_\_\_\_\_

DATED

19.....

*[Signature]*