

DEED OF TRUST AND ASSIGNMENT OF RENTS

~~Vol. M8~~ Page

DATE OF THIS DEED OF TRUST AND OF THE LOAN TRANSACTION August 1, 1986		DATE FUNDS DISBURSED AND INTEREST BEGINS IF OTHER THAN DATE OF THE TRANSACTION August 6, 1986		ACCOUNT NUMBER 3654-402605
BENEFICIARY <i>Return To:</i>		GRANTOR(S): (1) James M. Tepper (2) Glenda M. Tepper		ADDRESS: 5880 Balsam Dr. CITY: Klamath Falls, OR 97601
TRANSAMERICA FINANCIAL SERVICES 707 Main St., P.O. Box 1269 Klamath Falls, OR 97601				
NAME OF TRUSTEE: Aspen Title	THIS DEED	IS MADE IN THE STATE OF OREGON	IN THE CITY OF Klamath Falls	

Age

THIS DEED OF TRUST SECURES FUTURE ADVANCES

By this Deed of Trust, the undersigned Grantor (all, if more than one) for the purpose of securing the payment of a Promissory Note of even date in the principal sum of \$ 55115.81 from Grantor to Beneficiary named above hereby grants, sells, conveys and warrants to Trustee in trust, with power of sale, the following described property situated in the State of Oregon, County of Klamath

See EXHIBIT "A"

Together with all buildings and improvements now or hereafter erected thereon and heating, lighting, plumbing, gas, electric, ventilating, refrigerating and air-conditioning equipment used in connection therewith, all of which, for the purpose of this Deed of Trust, shall be deemed fixtures of the property above described, all of which is referred to hereinafter as the "premises".
The above described real property is not currently used for agricultural, timber or grazing purposes.
TO HAVE AND TO HOLD said land and improvements, and all rights, title and interest in and to the same, subject to the terms and conditions herein contained.

TO HAVE AND TO HOLD said land and premises, with all the rights, privileges and appurtenances thereto belonging to trustee and his heirs, executors, administrators, successors and assigns, upon the trusts and for the uses and purposes following, and none other.

Grantor also assigns to Beneficiary, all rents, issues and profits of said premises, reserving the right to collect and use the same with or without taking possession of the premises, during continuance of default hereunder, and during continuance of such default authorizing Beneficiary to enter upon said premises and/or, to collect and enforce the same without regard to adequacy of any security for the indebtedness hereby secured by any lawful means.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Grantor,
at the agreed rate, in accordance with the terms of this Deed of Trust; (2) payment of the principal sum, interest, penalties, costs, attorney's fees, accounting, ventilating, refrigerating and other expenses of this Deed of Trust, shall be deemed fixtures of the property above described real property is not currently used for agricultural, timber or grazing purposes.

FIRST: To the payment of taxes and assessments that may be levied and assessed against said premises, insurance premiums, rents and expenses agreed to be paid by the Grantor(s).

SECOND: To the payment of the interest due.

THIRD: To the payment of the principal sum due.

THIRD: To the payment of the interest due on said loan.

**TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND
SUCH OTHER CONDITIONS AS ARE REASONABLY REQUESTED BY THE
RECEIVER.**

HEREBY, GRANTOR(S) COVENANTS AND AGREES: (1) to keep said premium and such other casualties as the Beneficiary may specify, up to the limit of

TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND AGREES: (1) to keep said premises insured in Beneficiary's favor against fire and such other casualties as the Beneficiary may specify, up to the full value of all improvements for the protection of Beneficiary in such manner, in such amounts, and in such companies as Beneficiary may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Beneficiary and that loss proceeds (less expenses of collection) shall, at Beneficiary's option, be applied on said indebtedness, whether due or not, or to the restoration of said improvements. Such application by the Beneficiary shall not cause discontinuance of any proceeding to foreclose this Deed of Trust. In the event of Foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale. (2) To pay when due all taxes, liens (including any prior Trust Deeds or Mortgages) and assessments that may accrue against the above described premises, or any part thereof, or upon the debt secured hereby, or upon the interest of Beneficiary in said premises or in said debt, and procure and deliver to Beneficiary ten (10) days before the day fixed by law for the first interest, or penalty to accrue thereon, the official receipt of the proper officer showing payment of all such taxes and assessments. (3) In the event of default by Grantor(s) under Paragraphs 1 or 2 above, Beneficiary, at its option (whether electing to declare the whole indebtedness secured hereby due and collectible or not), may (a) effect the insurance above provided for and pay the reasonable premiums and charges therefor; (b) pay all said taxes, liens and assessments without determining the validity thereof; and (c) such disbursements shall be added to the unpaid balance of the obligation secured by this Deed of Trust and shall bear interest from the date of payment at the agreed rate. (4) To keep the buildings and other improvements now existing or hereafter erected in good condition and repair, not to commit or suffer any waste or any use of said premises contrary to restrictions of record or contrary to laws, ordinances or regulations of the proper public authority, and to permit Beneficiary to enter at all reasonable times for the purpose of inspecting the premises, to complete within one hundred eighty days or restore promptly and in a good and workmanlike 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. (5) That he will pay, promptly, the indebtedness secured hereby in full compliance with the terms of said Promissory Note and this Deed of Trust; and that the time of payment of the indebtedness hereby secured, or of any portion thereof, may be extended or renewed, and any portions of the premises herein described may, without notice, be released from the lien hereof, without releasing or affecting the personal liability of any person for the payment of said indebtedness or the lien of this instrument upon the remainder of said premises for the full amount of said indebtedness then remaining unpaid, and no change in the ownership of said premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created. (6) That he is seized of the premises in fee simple and has good and lawful right to convey the same; and that he does hereby forever warrant and will forever defend the title and possession thereof against the lawful claims of any and all persons whatsoever.

ARTICLE VI
AGREEMENTS RELATING TO THE PROPERTY AND POSSESSION THEREOF AGAINST THE LAWFUL CLAIMS OF ANY AND ALL PERSONS WHATSOEVER.

ARTICLE VII
ARTICLE VII AGREED THAT: (1) If the said Grantor(s) shall fail or neglect to pay installments on said Promissory Note as the same may hereafter become due, or upon default in the performance of any agreement hereunder, or upon sale or other disposition of the premises by Grantor(s), or should any action or proceeding be filed in any court to enforce any lien on, claim against or interest in the premises, then all sums owing by the Grantor(s) to the Beneficiary under this Deed of Trust or under the Promissory Note secured hereby shall immediately become due and payable at the option of the Beneficiary on the application of the Beneficiary or assignee, or any other person who may be entitled to the monies due thereon. In the event of such default, Beneficiary may execute or cause Trustee to execute a written Notice of Default and/or Election To Cause Said Property To Be Sold to satisfy the obligations hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the Promissory Note and all documents evidencing expenditures secured hereby, whereupon Trustee shall fix the time and place of sale and give notice thereof as required by law.

(2) Whenever all or a portion of any obligation secured by this Trust Deed is paid off, the amount so paid off shall be deducted from the assessments, premiums, costs, expenses, taxes, and other amounts due hereunder.

in the time and place of sale and give notice
as to the time and place of sale and give notice
assessments, premiums for insurance or advances made by a Beneficiary in accordance with the terms of the Trust Deed, the Grantor or his successor in interest
in the trust, property, or any part of it, any Beneficiary under a subordinate Trust Deed or any person having a subordinate lien or encumbrance of record on
the property, at any time prior to the time and date set by the Trustee for the Trustee's sale, if the power of sale therein is to be exercised, may pay to the
Beneficiary, or his successor, in interest, respectively, the entire amount then due under the terms of the Trust Deed and the obligation secured thereby (in-
cluding costs and expenses actually incurred in enforcing the terms of the obligations and Trustee's and Attorney's fees actually incurred if allowed by law)
other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default. After payment of this amount, all
proceedings had or instituted to foreclose the Trust Deed shall be dismissed or discontinued, and the obligations and Trust Deed shall be reinstated and
remain in force the same as if no acceleration had occurred.

3) After the lapse of such time as may then
occur,

(3) After the lapse of such time as may then be required by law following the recordation of said Notice of Default, and Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Grantor(s), shall sell said property on the date and at the time and place designated in said Notice of Sale at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the same from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the Notice of Sale, notice thereof shall be given in the same manner as the original Notice of Sale. Trustee shall execute and deliver to the purchaser its Deed conveying said property so sold, but without any covenant of warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale.

Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of Trustee's and Attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all other sums secured hereby; and (4) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the County in which the sale took place.

EXHIBIT "A"

13753

A portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 39 South, Range 8
East of the Willamette Meridian, in the County of Klamath, State
of Oregon, more particularly described as follows:

Beginning at a point which lies South 1348.93 feet from the North-
west corner of the NW $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 12, Township 39 South, Range 8
East of the Willamette Meridian, Klamath County, Oregon; thence
South 89° 00' 26" East 384.34 feet; thence South 1003.00 feet to a
point; thence North 72° 14' 14" West 70.34 feet to a point; thence
South 40° 37' 42" West, 155.66 feet; thence South 110 feet, more or
less, to the North boundary of a tract of land deeded to the State of
Oregon by and through its State Highway Commission; thence in a
Westerly and Northwesterly direction to the Westerly line of the
SW $\frac{1}{4}$ NW $\frac{1}{4}$; thence North to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of August A.D. 19 86 at 8:34 o'clock A.M., and duly recorded in Vol. M86,
of Mortgages on Page 13751.
FEE \$13.00

Evelyn Biehn, County Clerk
By Pam Smith