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K-38996

STEVENESS LAW PUB. CO., PORTLAND, OR 97201

THIS TRUST DEED, made this 1st day of October, 1986, between

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

LOT 17 IN BLOCK 2 LOCKFORD, TRACT NO. 1228, ACCORDING TO THE OFFICIAL PLAT THEREOF ON
FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement, the sum of Forty-six thousand three hundred and no/100 Dollars, 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 **FORTY-SIX THOUSAND THREE HUNDRED NINETY-SEVEN AND NO/100 DOLLARS (\$46,397.00)**, ADVANCES AND RENEWALS -----
note of even date herewith.

not sooner paid, to be due and payable MARCH 31 Dollars, with interest thereon according to the terms of a promissory becomes due and payable. In the event that the debt secured by this instrument is the debt, the final payment of principal and interest hereof, it sold, conveyed.

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

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.

3. To comply with all laws, ordinances and restrictions thereon.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to proper Code as the beneficiary may require and to pay for listing name in the public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be required by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the said parties may deem desirable by the payment of an amount not less than \$ FULL AMOUNT from time to time require, in companies acceptable to the said parties.

an amount not less than \$ _____ as the beneficiary's estimated loss or damage by fire
companies acceptable to the beneficiary, within time to time require, in
policies of insurance shall be delivered to the beneficiary, with loss payable to the latter; all
if the grantor shall fail for any reason to procure any such insurance and
deliver said policies to the beneficiary at least thirty days prior to the expiration of the term of the policy.

grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary as soon as insured; then, in the event of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any life or other insurance policy may be and is hereby assigned upon any indebtedness secured by said buildings to the beneficiary.

collected under any life 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, and no release shall be effect done pursuant to this section.

5. To keep said premises free from construction liens and to pay all 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 promptly deliver to the beneficiary, should the beneficiary be a minor, the proceeds of the sale of said premises pursuant to such notice.

charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make 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

(a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in subordinating or other agreement affecting this deed of lien or charge thereto; (d) reconvey without warranty, all or any part of the property granted in any reconveyance may be described as the person or persons legally entitled thereto," and the recitals therein of any matter which shall be conclusive proof of the truthfulness of the foregoing statements.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security or the indebtedness hereby secured, enter upon the premises and remove any property or any part thereof.

11. The antecedent

1. 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 awards for any taking or damage of the property, and the application or awards for any taking or damage of the property, shall not cure or pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose the mortgage in equity as a mortgage or direct the trustee to foreclose the mortgage.

advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligation secured thereby whereupon the trustee shall fix the time and place of sale, divvy thereof as then required by law and proceed to sell the same in the manner provided by law and proceed to

13. After the trustee has commenced foreclosure by advertisement and 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 86.733 may pay the sum secured, less costs, interest and expenses, and proceed to foreclose this trust deed in

amount secured by the trust deed, the default consists of a failure to pay, when due, entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to the performance of the defaults, the person obligated to perform the obligations under the trust deed shall

14. Otherwise, the sale shall be held on the date and place designated in the notice.

NOTE: The Trust Dead 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 690.505 to 690.565.

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 or household purposes (see Important Notice below),
(b) for an organization, or (even if grantor is a natural person) are for business or commercial 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 use Stevens-Ness Form No. 1319, 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 acknowledgement opposite.)

STATE OF OREGON,

County of _____

This instrument was acknowledged before me on _____, 19____, by _____

Notary Public for Oregon

(SEAL)

My commission expires: _____

STATE OF OREGON,

County of _____ Klamath _____

This instrument was acknowledged before me on _____ OCTOBER 1, 1986, by _____ REGINALD R. LEQUIEU
as _____ PRESIDENT
of _____ R.C.L. PROPERTIES, INC. THE GENERAL PARTNER

Notary Public for Oregon

My commission expires: _____

3-14-87

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. 881) OF THE COMMISSIONERS OF PUBLIC SAFETY
STEVENS-NESS LAW PUBL. CO., PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO
SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS OR 97603

SPACE RESERVED
FOR
RECORDER'S USE

Fee: \$9.00

STATE OF OREGON,

County of _____ Klamath _____

I certify that the within instrument was received for record on the _____ 28th day of _____ October, 19____, at _____ 10:43 o'clock A.M., and recorded in book/reel/volume No. _____ M96 on page _____ 19499 or as fee/file/instrument/microfilm/reception No. _____ 67529, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

By _____ Deputy