

THIS TRUST DEED, made this 11th day of FEBRUARY, 1987, between
FINLEY STACEY AND CAROL A. STACEY, AN ESTATE IN FEE SIMPLE AS TENANTS
 BY THE ENTIRETY
 as Grantor, WILLIAM M. GANONG, as Trustee, and
CERTIFIED MORTGAGE COMPANY, AN OREGON CORPORATION
 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:

SEE ATTACHED EXHIBIT "A".

TRUST DEED

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 connec-
 tion with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the

sum of TWENTY-EIGHT THOUSAND-----No/100----- 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, if
 not sooner paid, to be due and payable FEBRUARY 11, 1994.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
 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.
 then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or
 herein, 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.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable 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 beneficiary may from time to time require, in an amount not less than \$ Full Value, written in an amount acceptable to the beneficiary, with loss payable to the beneficiary; policies of insurance shall be delivered to the beneficiary as soon as insured; to if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount the beneficiary may procure 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 may 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.
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 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, at its option, make payment thereof and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid; the party hereinafter described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the 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 actually incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees actually incurred.
7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including 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 or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.
8. It is mutually agreed that:
 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 it so elects, to require that all or any portion of the monies 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 grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness 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

(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 or charge subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

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 for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue 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 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 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 this trust deed in equity as a mortgage 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 his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale. Five notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

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 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, the 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 curing the default or defaults, 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 and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either by one parcel or in separate parcels and shall sell the parcel or parcels at the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee to attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests 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.

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, 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. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the 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 not 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 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 696.505 to 696.585.

97 FEB 11 AM 11:38

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 KLAMATH } ss.

This instrument was acknowledged before me on FEBRUARY 11, 1987, by

FINLEY STACEY & CAROL A. STACEY
an estate in fee simple as tenants of
by the entirety.

(SEAL)

ANNE LOUISE SPROUL
NOTARY PUBLIC - OREGON

My Commission Expires 8-21-89

STATE OF OREGON,

County of _____ } ss.

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

as _____

Notary Public for Oregon

My commission expires: _____

(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) EXHIBIT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Finley & Carol A. Stacey

Grantor

Certified Mortgage Company
an Oregon Corporation

Beneficiary

AFTER RECORDING RETURN TO:

CERTIFIED MORTGAGE CO.

803 MAIN, SUITE 103

KLAMATH FALLS, OR 97601-6043

STATE OF OREGON,

County of _____ } ss.

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

Witness my hand and seal of County affixed.

NAME

TITLE

By _____

Deputy

DESCRIPTION OF PROPERTY

2232

The following described real property situate in Klamath County, Oregon:

PARCEL 1:

All that tract of land recorded in Volume 266, page 629, Parcel 1, of Deed records of Klamath County, Oregon, described as:
Beginning at the intersection of a line marking the East line of the W $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{2}$ of Section 32, T. 39 S., R. 8 E.W.M. with the centerline of the Ashland-Klamath Falls Highway as now located; thence North along the East line of the W $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{2}$ of said Section 32 and the East line of the W $\frac{1}{2}$ SE $\frac{1}{2}$ of Section 29 in said Township and Range, a distance of 2257.5 feet, more or less to the South line of Emmitt Ditch in said last mentioned 40 acre tract; thence West along said ditch 385 feet; thence South and parallel with the first mentioned course to center of said highway, containing 20 acres, more or less, in addition to the land included in the highway and situated in the W $\frac{1}{2}$ E $\frac{1}{2}$ NE $\frac{1}{2}$ of said Section 32 and the W $\frac{1}{2}$ SE $\frac{1}{2}$ of said Section 29.
EXCEPTING therefrom that portion thereof under contract to Ray and Lorraine Pinole, which portion lies Westerly of a line joining a point on the North boundary, distant 359.0 feet Easterly from the Northwest corner thereof and a point on the Northerly right of way boundary of the Klamath Falls-Ashland Highway (Oregon 66) as constructed this date; said point being distant 381.7 feet as measured Easterly along the aforesaid highway right of way boundary from the Westerly boundary thereof, containing 18.5 acres, more or less.

PARCEL 2:

All that tract of land recorded in Volume 266 page 629, Parcel 2, Deed records of Klamath County, Oregon, described as:
That portion of the E $\frac{1}{2}$ NE $\frac{1}{2}$ of Section 32, T. 39 S., R. 8 E.W.M., in Klamath County, Oregon, described as follows: Beginning at a point which is common to Sections 28, 29, 32 and 33, T. 39 S., R. 8 E.W.M., being the point of beginning; thence S. 89°58' W., 95 feet from the section corner W., 922.25 feet to a point on the Northerly right of way line of the Klamath Falls-Ashland Highway; thence N. 74° E., along the Northerly right of way of said highway 539.8 feet to a point; thence N. 0°32' E., 761.76 feet to the point of beginning, comprising 10 acres, more or less.
EXCEPTING THEREFROM all of that tract of land situated in the NE $\frac{1}{4}$ of Section 32 T. 39 S., R. 8 E.W.M., Klamath County, Oregon and recorded in Volume 266 page 629, Parcel 2 of Deed records of Klamath County, lying South of a existing drainage ditch the centerline of which is described as follows: Beginning at a point on the West line of the above mentioned tract of land from which the Northerly right of way line of the Klamath Falls-Ashland Highway lies S. 0°32' W., 675 feet, more or less, thence S. 89°15' E. along said centerline, 517 feet, more or less, to the East line of the above mentioned tract of land; thence S. 89°15' E., 100.0 feet, more or less, to the point of beginning, comprising 10 acres, more or less.
The above described property is situated in the NE $\frac{1}{4}$ of Section 32, T. 39 S., R. 8 E.W.M., Klamath County, Oregon, and is recorded in Volume 266 page 629, Parcel 2 of Deed records of Klamath County, Oregon, and is situated South of a existing drainage ditch the centerline of which is described as follows: Beginning at a point on the West line of the above mentioned tract of land from which the Northerly right of way line of the Klamath Falls-Ashland Highway lies S. 0°32' W., 675 feet, more or less, thence S. 89°15' E. along said centerline, 517 feet, more or less, to the East line of the above mentioned tract of land; thence S. 89°15' E., 100.0 feet, more or less, to the point of beginning, comprising 10 acres, more or less.

PARCEL 3:

All that tract of land recorded in Volume 324 page 146 of Deed records of Klamath County, Oregon, described as:

Beginning at a point on the lower bank of the Upper Emmitt Ditch 25 feet West and 590.7 feet North of the section corner common to Sections 28, 29, 32 and 33, T. 39 S., R. 8 E.W.M.; thence N. 89°36' W. 582.78 feet to the boundary fence on the West line of the E½SE½SE½ of Section 29; thence S. 0°32' W. along said boundary fence 1154.3 feet to a fence corner; thence N. 89°59' E., 837.5 feet to the West line of a tract of land conveyed to Nellie Anderson by deed recorded in Volume 194, page 441, August 28, 1946; thence N. 0°21' W. along said fence 1117.0 feet to a stake in the Southerly bank of Upper Emmitt Ditch; thence N. 78°28' W., along said ditch 245.0 feet to the point of beginning, containing 21.7 acres, more or less, and being in Sections 28, 29, 32 and 33, T. 39 S., R. 8 E.W.M., Klamath County, Oregon.

PARCEL 4:

All that tract of land recorded in Volume 320 page 358 of Deed records of Klamath County, Oregon, described as:

Beginning at the section corner common to Sections 28, 29, 32 and 33, T. 39 S., R. 8 E.W.M.; thence North 590.7 feet and West 24.4 feet to a point on the lower bank of the Upper Emmitt Ditch; this point is the most Northeasterly corner of that land described in Volume 163 page 544, Deed records of Klamath County, Oregon, said point also being on the common boundary of the aforesaid tract and that land described in Volume 164 page 447 of aforesaid deed records, said point also being the true point of beginning; thence Westerly along the aforesaid common boundary 635.6 feet to the Southwest corner of land described in the last mentioned deed volume and page; thence North along the West boundary thereof, 730.0 feet to the Northwest corner of the E½SE½SE½ of Section 29; thence East along the 1/16 subdivisional sectional line 875.6 feet; thence South 779.0 feet to the Northeast corner of the land described in Volume 279 page 39; thence N. 78°28' W. along the North boundary thereof a distance of 245.0 feet to the point of beginning, containing 14.8 acres and being in Klamath County, Oregon.

EXCEPTING THEREFROM all that portion thereof deeded to Wm. J. Hollinger, recorded in M71 page 3882, Deed records of Klamath County, Oregon; described as: A parcel of land consisting of the North 312.00 feet (as measured along the East and West boundaries from the North boundary thereof) of that tract of real property recorded in Volume 320 page 358 of Deed records of Klamath County, Oregon, described therein as being situated in the E½SE½SE½ of Section 29 and in the W½SW½SW½ of Section 28, all in Township 39 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, said parcel containing 6.3 acres, more or less.

NOTE: There is an easement appurtenant to the above property on which no search of the title has been made. Said easement should be included in any conveyance or mortgage and is described as follows:

"For way of ingress and egress to the above described parcel of land from the Klamath Falls-Ashland Highway, the right of use of a 16.0 foot existing roadway, the centerline of which is particularly described as follows: Beginning at a point on the northerly right of way boundary of the Klamath Falls-Ashland Highway, distant 398.5 feet easterly of the most southwesterly corner of that tract of land designated as Parcel No. 1 recorded in Volume 266, Page 629 of Deed Records of Klamath County, Oregon; thence north following the centerline of aforesaid existing roadway 1987.0 feet; thence N. 65°00' E., 117.0 feet; thence North 91.0 feet; thence N. 24°00' W., 205.0 feet, more or less, to a point 8.0 feet distant easterly from the west boundary of aforesaid tract of real property recorded in Volume 320, Page 358 of Deed Records of Klamath County, Oregon; thence north, parallel with and 8.0 feet distant easterly from said west boundary 200.0 feet, more or less, to the south boundary of that parcel of land to which this description pertains."

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 11th day
of February A.D., 19 87 at 11:38 o'clock A M., and duly recorded in Vol. M87
of _____
of _____ Mortgages on Page 2230

FEE \$17.00

Evelyn Biehn, County Clerk
By Ann Smith