

Deed of Trust

FHA Case No.
431-2021824

Aspen Title #M-30385

This Deed of Trust, made this 2nd day of March, 19 87
between DONALD W. DOWNING and MELINDA K. DOWNING, husband and wife

whose address is (Street and number, city) 3531 Hilyard St., Klamath Falls, Oregon 97603, as Grantor,

State of Oregon, ASPEN TITLE & ESCROW, INC., an Oregon Corporation
TOWN & COUNTRY MORTGAGE, INC., an Oregon Corporation

, as Trustee, and
, as Beneficiary.

Witnesseth: That Grantor irrevocably Grants, Bargains, Sells and Conveys to Trustee in Trust, with Power of Sale, the Property in
KLAMATH County, State of Oregon, described as:

All that portion of Lots 11 and 12, Block 3, Altamont Acres, in the County of Klamath, State of Oregon, described as follows;

Beginning on the Southerly line of Lot 11 aforesaid at a point thereon distant 76.9 feet Westerly from the Southeasterly corner of said Lot 11; thence West along the South line of said Lot 11, a distance of 80 feet; thence North and parallel with the East line of said Lots 217.6 feet to the North line of Lot 12; thence East along said North line of said Lot, 80 feet; thence South and parallel with East line of said Lots 11 and 12, a distance of 217.6 feet, more or less to the place of beginning.

EXCEPT the Southerly 5 feet of the Westerly 80 feet of the Easterly 156.9 feet of Lot 11, Block 3, ALTAMONT ACRES, conveyed to Klamath County by deed recorded May 19, 1961 in Volume 329 at page 577.

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

Together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining, and the rents, issues, and profits thereof, Subject However, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

To Have and To Hold the same, with the appurtenances, into Trustee.

For the Purpose of Securing Performance of each agreement of Grantor herein contained and payment of the sum of

THIRTY-ONE THOUSAND SIX HUNDRED FIFTY-NINE AND NO/100 ----- Dollars (\$ 31,659.00)
with interest thereon according to the terms of a promissory note, dated March 2, 19 87,
payable to the Beneficiary or order and made by Grantor, the final payment of principal and interest thereof, if not sooner paid, being due
and payable on the first day of April, 20 17.

This form is used in connection with deeds of trust insured under the one- to four-family programs of the National Housing Act which require a One-Time Mortgage Insurance Premium payment (including sections 203 (b) and (i)) in accordance with the regulations for those programs.
Previous Editions Are Obsolete

APR 1 1987

of Trust eligible for insurance by Beneficiary under the provisions of the National Housing Act and amendments thereto, and agrees not to do, or cause or suffer to be done, any act which will void such insurance during the existence of this Deed of Trust.

It is Mutually Agreed that:

14. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including costs of evidence of title, employ counsel, and pay his reasonable fees.

15. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards and other payments or relief therefor, and shall be entitled at its option to commence, appear in, and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may after deducting therefrom all its expenses, including attorney's fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. Grantor agrees to execute such further assignments of any compensation, award, damage, and rights of action and proceeds as Beneficiary or Trustee may require.

16. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure to pay.

17. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed of Trust and the note for endorsement (in case of full reconveyance, for cancellation and retention), 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 any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; (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.

18. As additional security, Grantor hereby assigns to Beneficiary during the continuance of these trusts, all rents, issues, royalties, and profits of the property affected by this Deed of Trust and of any personal property located thereon. Until Grantor shall default in the payment of any indebtedness secured 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.

19. Upon any default, 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 any take possession of said property or any part thereof, in his own name sue for or otherwise collect such 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. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

20. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, or should this Deed and said note not be eligible for insurance under the National Housing Act within **EIGHT** months from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to **IMMEDIATELY** months' time from the date of this Deed of Trust, declining to insure said note and this Deed of Trust, being deemed conclusive proof of such ineligibility), or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary shall also deposit with Trustee this Deed of Trust, the note and all documents evidencing expenditures secured hereby. Notwithstanding the foregoing, this option may not be exercised by the Beneficiary when the ineligibility for insurance under the National Housing Act is due to the Beneficiary's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

21. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Grantor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at 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 announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its Deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in this Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, or Beneficiary, may purchase at the sale. After deducting all costs, fees, and expenses of Trustee and of this trust, including cost of title evidence and reasonable attorney's fees, in connection with sale, Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, with accrued interest at the rate provided on the principal debt; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

22. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and instead of Trustee herein

named, and thereupon the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

23. This Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

24. Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending

Donald W. Downing Signature of Grantor
DONALD W. DOWNING
Melinda K. Downing Signature of Grantor
MELINDA K. DOWNING

State of Oregon ss:
County of Klamath

I, the undersigned, Sandra Handsaker, Notary Public for the State of Oregon, hereby certify that on this 25th day of March, 1987, personally appeared before me Donald W. Downing and Melinda K. Downing, husband and wife to me known to be the individual described in and who executed the within instrument, and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.
Given under my hand and official seal the day and year last above written.

Sandra Handsaker
Notary Public in and for the State of Oregon.

My commission expires 7/23/89

Request for Full Reconveyance

Do not record. To be used only when note has been paid.

To: Trustee:

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 19____

Mail reconveyance to _____

State of Oregon
County of _____ ss:

I hereby certify that this within Deed of Trust was filed in this office for Record on the _____ day of _____, A.D. 19____, at _____ o'clock M., and was duly recorded in Book _____ of Record of Mortgages of _____ County, State of Oregon, on page _____

By _____ Recorder.
Deputy.

STATE OF OREGON

FHA CASE NO.

RIDER TO DEED OF TRUST

This RIDER to DEED OF TRUST is attached to and made a part of that DEED OF TRUST dated March 2, 19 87.

between:

GRANTOR DONALD W. DOWNING and MELINDA K. DOWNING, husband and wifeTRUSTEE ASPEN TITLE & ESCROW, INC., An Oregon CorporationBENEFICIARY TOWN & COUNTRY MORTGAGE, INC., An Oregon Corporation1. LUMP-SUM MORTGAGE INSURANCE PREMIUM:

Grantor and Beneficiary acknowledge and agree that the HUD Mortgage Insurance Premium has been prepaid for the entire term of the loan accrued by this Deed of Trust and will not be paid in monthly installments as required by the Deed of Trust. The terms and conditions of this Deed of Trust shall be construed and enforced consistent with such prepayment. IN the event of prepayment of the loan accrued by this Deed of Trust the rebate or refund of unearned mortgage insurance premium, if any, will be calculated and paid in accordance with applicable HUD rules and regulations.

2. ADDITION TO PARAGRAPH 19:

There is added to Paragraph 19 of the DEED of Trust the following: Beneficiary may not declare all sums secured hereby immediately due and payable because of the ineligibility for insurance under the National Housing Act if such ineligibility results from Beneficiary's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

Donald W. Downing
Grantor

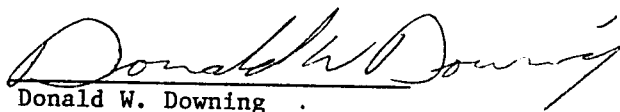
Melinda K. Downing
Grantor

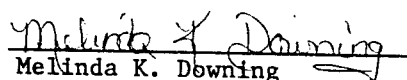
STATE OF OREGON

FHA CASE NO.

RIDER TO DEED OF TRUST

The mortgagee shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this mortgage to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgageor, pursuant to a contract of sale executed not later than 24 months after the date of execution of this mortgage or not later than 24 months after the date of a prior transfer of the property subject to this mortgage, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner.


Donald W. Downing


Melinda K. Downing

Let. A.T.C.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Company the 1st day
of April A.D., 19 87 at 4:15 o'clock P M., and duly recorded in Vol. M87
of Mortgages on Page 5424.

FEE \$25.00

Evelyn Biehn, County Clerk
By 