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KCTC-40462
DEED OF TRUSTVol. 1188 Page 5602Date: April 8, 1988Loan No. 052-3200628123Grantors (Borrowers): Douglas D. McInnisMailing Address: 245 Pacific Terrace Klamath Falls Or. 97601Trustee: Klamath County Title Company

Beneficiary: The Benj. Franklin Federal Savings & Loan Association, Consumer Lending, 501 S.E. Hawthorne Blvd., Portland, Oregon 97214.

1. Grant of Deed of Trust.By signing below, I grant to Trustee in trust, with the power of sale, the following property in Klamath County,State of Oregon

Lot 9 in Block 43 of Hot Springs Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

which has an address of 245 Pacific Terrace Klamath Falls Or. 97601 together with 1) all buildings, improvements, interests, easements, rights and privileges now or later located on or attached to it (herein the "Property") and 2) any future rents, profits and proceeds from the Property as additional security for the debt that I owe you. I will perform all of the terms of this Deed of Trust and the Note which it secures.**2. Existing Encumbrance.** I represent that I am the owner of the Property and that it is presently subject only to a deed of trust/mortgage in favor of N/A (First Mortgage) securing a promissory note (First Note), on which the unpaid principal balance is \$ 0 and payments are not in default, and such other encumbrances as have been accepted by you in writing.**3. My Note to You.** This Deed of Trust secures my payment of principal, interest, collection costs, court costs, costs of foreclosure reports obtained by you in connection with the foreclosure of this Deed of Trust, reasonable attorney fees at trial, on appeal or upon discretionary review of the case, and any other amounts that I may owe you under my Note to you dated the same date as this Deed of Trust in which the original Note amount was \$ 30,450.00, and on which the last payment is due April 5, 2003. This Deed of Trust will also secure any other amounts that I may owe under the terms of this Deed of Trust. Time is of the essence in the payment of my Note to you and the performance of my obligations under this Deed of Trust.**4. Trust Property.** I represent that the Property:

- a. If located in Idaho, is not more than twenty acres in area or is located within an incorporated city or village.
- b. If located in Washington, is not used principally for agricultural or farming purposes.
- c. If located in Oregon, is not now used for agricultural, timber or grazing purposes.

5. My Additional Obligations. In addition to paying my Note to you and performing my other obligations under the Note and this Deed of Trust, I will:

- a. Pay all money now due and to become due on the First Note and Mortgage and keep them free from any default.
- b. Keep the Property insured with insurance companies and policies acceptable to you, with policies which include fire and theft and extended insurance coverage. I will insure the Property for its full insurable value. This insurance policy will include a standard loss payable endorsement naming you as the next loss payee after the holder of the First Mortgage. In case of damage or destruction of the Property, I will promptly notify you and submit an insurance claim; insurance proceeds received by you may be applied, at your sole discretion, to restore or repair the damaged Property or as a credit on any portion of the secured debt, whether then matured or to mature in the future. I will immediately deliver to you a duplicate original of the policy showing your interest, or if the original is not available, a copy of the policy together with a certificate of insurance from my insurance company showing that the policy is in effect.
- c. Pay promptly, when due, all taxes, assessments against the Property, and any debt that might become a lien on the Property. I will keep the Property free from all mortgages, trust deeds, land sale contracts, liens and other encumbrances, except for yours, the First Mortgage, and such other encumbrances as may have been accepted by you in writing.
- d. Keep the Property in good condition and repair. I will not use the Property for any unlawful purposes, and I will not commit or permit any waste of the Property. I will not remove any of the improvements now located or later placed on the Property. I will not make any major changes or alterations in the improvements without your consent, which consent you will not unreasonably withhold.
- e. Obtain the signature on this Deed of Trust of all co-owners of the Property and all other persons having an interest in the Property.
- f. Not sell, transfer, or rent the Property or any interest therein without first getting your written permission. Because you have relied on my credit, my interest in the Property, and financial market conditions at the time this loan is made, if I do sell, transfer or rent the Property without your permission, you may insist that I pay the entire amount due to you immediately. I understand that you will give your permission to a sale or transfer (not a rental) if (a) the loan is current and not otherwise in default, (b) you determine that the third party is creditworthy, (c) a processing fee is paid to you, and (d) the interest rate is changed, at your option, to a rate not to exceed the then current rate offered by you for this type of loan. Unless the third party assumes the loan, I understand that I am still responsible for the payment of the Note and performance of this Deed of Trust. If the third party assumes the Note and this Deed of Trust, you will release me from liability for the Note and this Deed of Trust.
- g. Do anything that may now or later be necessary to perfect and preserve your Deed of Trust and its priority. I will pay all recording fees, fees for filing UCC financing statements and other costs or fees that you feel are necessary.

6. Default. I will be in default:

- a. If I fail to keep any promise that I have made to you in this Deed of Trust or my Note.
- b. If I or any co-borrower becomes insolvent or bankrupt.
- c. If you determine that I have given you a false financial statement or I have not told you the truth about my financial condition, about the Property, or about any use of the money you loaned me.
- d. If any of my creditors or co-borrowers' creditors try, by legal process or otherwise, to take money from any bank account that I or a co-borrower may have with you, or any money or property that I may have coming from you.
- e. If, as sole borrower, I die, or if there is more than one borrower, we all die.

7. What You Can Do If I Default. If I default, you have the rights described in this section. You may use any one or combination of them, together with all other rights and remedies that you may have under law.

- a. You may declare the entire debt or any part thereof secured by this Deed of Trust due and payable all at once, without notice to me.
- b. You may collect all or any part of the debt secured by the Deed of Trust directly from any person or combination of persons obligated to pay the debt. Each person on the Note is jointly and severally liable with all of the others.
- c. You may foreclose this Deed of Trust and sell the Property in any manner allowed by law, including without limitation, by advertisement and sale or as a mortgage on real property. If this Deed of Trust is foreclosed as a mortgage on real property, I (1) consent to a personal deficiency judgment for any part of the debt this Deed of Trust secures that is not paid by the sale of the Property, unless such judgment is prohibited by law, and (2) waive any claim of homestead and all rights of possession of the property during the time allowed by law to redeem.
- d. While the foreclosure suit is pending, you may take possession, manage, and maintain the Property, either personally or through a receiver, and collect any rents from the Property, including those past due. Any amount that you receive over and above the costs of collection and other expenses incurred in taking possession of the Property may be applied to the debt secured by this Deed of Trust.
- e. If you file a lawsuit to collect the debt secured by this Deed of Trust, to foreclose this Deed of trust, or to enforce or have declared your rights under this Note and Deed of Trust, or if you are named as a party in any court suit action brought with respect to the Property, I will pay for your reasonable attorney fees as determined by the trial court or appellate court. I will pay all court costs involved and the actual costs of obtaining the title reports to foreclose or to defend this Deed of Trust. I also will pay collection costs you incur due to my default, even if no suit is filed.

5603

DEED OF TRUST

(Continued)

f. If I do not make any of the payments that I promised to make, or do any of the things that I have agreed to do, you may, but are not obligated to, do them. I will reimburse you immediately for the amount of the payments that you have made because of my failure to do as I said I would. If I do not reimburse you immediately, you may add the amount of any payments that you have made to the unpaid principal balance of my Note with you. The amount of any such payment will bear interest from the date you make the payment until paid at the rate provided in my Note with you. Any payments that you make plus the interest that accrues on the payment will be secured by this Deed of Trust. You may increase the amount of my monthly payments on the Note secured by this Deed of Trust to include these payments and interest, so that these payments and interest will be repaid over a period of time you may select, but in no event after the maturity date of the Note secured by this Deed. I understand that if you do any of the things that I am supposed to do, your action will not be a waiver or release of any right that you may have to declare a default under my Note and Deed of Trust to you. Even if you do these things, my failure to do them will be a default under this Deed of Trust, and you may still use the other rights that you have for the default.

8. **Condemnation Proceeds.** If any part of the Property is taken under eminent domain or condemnation proceedings, or I transfer the Property in lieu of an exercise of the right of eminent domain, you may require that I pay you out of the compensation that I receive, first any attorney fees and costs or expenses that you incur in such proceeding, and second, that any remaining money be applied to the debt secured by this Deed of Trust.

9. **Reconveyance Upon Payment:** When I have fully paid all sums secured by this Deed of Trust, you will return to Trustee this Deed of Trust and the Note which it secures for cancellation and payment of its fees, and request that Trustee reconvey the Property, without warranty, to "the person(s) legally entitled thereto." It will be up to me to see that the Reconveyance Deed is recorded and to pay any recording costs.

10. **Balloon Payment.** If this Deed of Trust secures a Note that provides for a balloon payment, the balloon payment will be financed by you at an interest rate that may be changed at your option to a rate not to exceed the then current rate offered by you for this type of loan and upon such other terms as you specify on like loans to other borrowers, provided that (a) you find no deterioration in my creditworthiness or the condition of the Property, and (b) your lien priority remains the same as at the time the loan was made.

11. **Change of Address.** If I move, I will immediately notify you in writing as to my new address. Any notice that I may give you or you may give me shall be given by regular mail at the addresses listed above or at such other address as I may designate by written notice to you.

12. **Governing Law.** This Deed of Trust and the debt it secures will be governed by the laws of the state in which the Property is located.

13. **Definitions.** The word "I" means all persons signing this Deed of Trust, and obligates each of us jointly and severally. "You" means The Benj. Franklin Federal Savings and Loan Association or any holder of this Deed of Trust. "Grantors" and "borrowers" have the same meaning as the term "trustor" as used in Title 57, Chapter 1 of the Utah Code. I agree that this Deed of Trust applies to, benefits and is binding on all parties hereto, and their successors and assigns.

14. **Acknowledgement.** I have read this Deed of Trust and the Note it secures and understand and agree to perform my obligations under each of the documents.

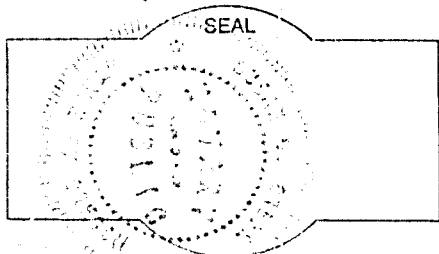
X *James D. McInnis*
(Borrower's Sign Here Exactly as Vested)

X
(Borrower's Sign Here Exactly as Vested)

(Borrower's Sign Here Exactly as Vested)

INDIVIDUAL ACKNOWLEDGEMENT:

STATE OF: OREGON
COUNTY OF: KLAMATH



On this day personally appeared before me DOUGLAS D. MCINNIS to me known (or proved to me on the oath of _____) to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that he (she or they) signed the same as his (her or their) free and voluntary act and deed, for the uses and purposes therein mentioned. Given under my hand and official seal this 8th day of APRIL, 1988.

Susan A. Cress
Notary Signature

My commission Expires: 6-21-88

Notary Public in and for the State of OREGON

residing at KLAMATH FALLS (give city).

REQUEST FOR RECONVEYANCE:

(City, State)

(Date)

To Trustee:

The undersigned is the owner and holder of all indebtedness secured by this Deed of Trust, which is, together with the secured Note, delivered to you. Please reconvey, without warranty, to the person(s) legally entitled thereto the estate of real property described in this Deed of Trust.

The Benj. Franklin Federal Savings & Loan Association, Beneficiary by:

(Signature of Officer)

(Type Name)

(Type Title)

AFTER RECORDING RETURN TO:

The Benj. Franklin
Federal Savings and Loan
Association, Inc.
Credit Area - Collateral
P.O. Box 4211
Portland, Oregon 97208

**(RECORDER'S STAMP AREA)**

STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

Klamath County Title Co.
on this 13th day of April A.D., 19 88
at 12:59 o'clock P.M. and duly recorded
in Vol. M88 of Mortgages Page 5602

By Evelyn Biehn County ClerkBy Glenetha A. Ketch

Deputy.

Fee, \$10.00