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THIS TRUST DEED, made this 11 day of July, 1988, between

as Grantor, BEND TITLE COMPANY
 ROBERT G. SUMMERS AND BARBARA L. SUMMERS, AN ESTATE IN SIMPLE FEE, AS TENANTS BY THE ENTIRETY
 as Beneficiary,
 as Trustee, and

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

WORK ORDER

SEE EXHIBIT "A"

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of SEVENTEEN THOUSAND AND 00/100 DOLLARS (\$17,000.00) *

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, at the Beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or therein, shall become immediately due and payable.

10. To protect the security of this trust deed, grantor agrees: (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 and repair; not to remove or demolish any building or improvement thereon; not to subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without cost or charge, to the trust created by this deed, the property described in the deed to which this deed is recorded.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or

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; and to pay as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

beneficiary. To provide and continuousl maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and other hazards as the beneficiary may from time to time determine for an amount not less than \$ full insurable value , written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; 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 the term of the insurance policy placed on said buildings, the beneficiary may procure the same at grantor's expense; all monies collected 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 any part thereof, may be released to grantor. Such application or release shall not constitute any default or notice of default hereunder or invalidate any other provisions hereof.

act done pursuant to such notice.

Notwithstanding the foregoing, the Grantor shall be 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 the grantor, either by deed or otherwise, the beneficiary shall have the right to do so with which to make such payment; beneficiary may, at its option, make payment hereof 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 deed, and the beneficiary shall have the right to enforce any of the covenants hereof and for such purpose, with interest thereon, shall have priority herebefore 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, constitute a breach of this trust deed, and shall be 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, incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

...affect the security rights or powers of beneficiary or proceeding, purporting to 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 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 may find reasonable as the beneficiary's or trustee's attorney's fees on any appeal.

It is mutually agreed that:

8. 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 beneficiary in connection with such taking, be paid to beneficiary and applied by it first upon any reasonable costs and expenses necessarily incurred 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 as may be necessary to effectuate the foregoing, and to assist beneficiary 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 any subordination or other agreement affecting this deed 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. Trustee's fees for any of the

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 the court, take any action to secure the adequacy of any security for the indebtedness hereby secured, including but not limited to, the collection of any property or any part thereof, in its own name sue or otherwise collect the debts, 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, to the 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.

herby 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 trustee may proceed to foreclose this trust deed advertisement and sale. In the latter event the beneficiary or the trustee shall give notice of the sale to the beneficiary or the trustee in writing. The trustee shall sell the said described real estate and the proceeds of the sale shall be paid to the beneficiary or the trustee as directed in writing by the beneficiary or the trustee. Whereupon the trustee shall fix the time and place of sale, give notice of the sale to the beneficiary by law and proceed to foreclose this trust deed in the manner provided in the deed of trust.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time thereafter, the trustee may, at its discretion, conduct the sale, the grantor or any other person so privileged by ORS 87.575, to pay the default or defaults. If the default consists of a failure to pay, when due, the entire amount due at the time of the deed, the default may be cured by paying the entire amount due at the time of the deed, whether or not the default or defaults, then or thereafter, have occurred. If the default or defaults are not then or thereafter cured by the payment of the entire amount due at the time of the deed, the default or defaults may be cured by tendering the performance required under the deed, whether or not the default or defaults have occurred. In the event the default or defaults, the person effecting the cure shall pay the costs of the deed, including the expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided for in the deed.

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 auction, parcel or in separate parcels and shall sell the parcel or parcels at auction, or in separate parcels, as he may deem proper, at the time of sale. Trustee shall deliver to the purchaser its deed or deeds payable at the time of sale. The property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of sale shall be conclusive proof of the truth of the facts stated therein, and the signature of the trustee, the grantor and beneficiary, may purchase at the time of 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's 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.

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 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 696.505 to 696.585.

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PARCEL 1: THE NORTH SEVENTY FIVE (75) FEET OF LOT 6, BLOCK 1, MAHN'S ACRES, ACCORDING TO THE DULY RECORDED PLAT THEREOF, IN KLAMATH COUNTY, OREGON.

PARCEL 2: THE NORTHERLY SEVENTY FIVE (75) FEET OF THE FOLLOWING DESCRIBED TRACT: BEGINNING AT A POINT WHICH IS SOUTH 0°15' WEST 765.67 FEET FROM THE QUARTER CORNER BETWEEN SECTIONS 11 AND 14, TOWNSHIP 23 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, AND ALONG NORTH AND SOUTH CENTER LINE OF SAID SECTIONS 14; THENCE SOUTH 0°15' WEST 172.03 FEET; THENCE NORTH 66°30' WEST 63.8 FEET; THENCE NORTH 25°56' WEST 124.5 FEET; THENCE NORTH 17°39' EAST 36.42 FEET; THENCE SOUTH 89°24' EAST 100.67 FEET MORE OR LESS, TO THE POINT OF BEGINNING, THE ABOVE DESCRIBED PARCEL OF LAND LYING IN THE NE1/4 OF THE NW1/4 OF SECTION 14, TOWNSHIP 23 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Bend Title Co.
 of July A.D., 19 88 at 8:51 o'clock A.M., and duly recorded in Vol. M88
 of Mortgages on Page 10983
 FEE \$18.00
 Evelyn Biehn County Clerk
 By Pauline Millenclase