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WITNESSETH:

All that portion of Tract 55 of MIDLAND TRACTS, which lies South of the gravity irrigation ditch and East of the United States Highway No. 97, also known as the Dalles-California Highway, in the County of Klamath, State of Oregon.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of SIXTY FIVE THOUSAND and No/100-
sum of \$65,000.00) - - - - - Dollars with interest thereon according to the terms of a promissory interest hereof.

note of even date herewith, payable to beneficiary At maturity of Note, 19
not sooner paid, to be due and payable At maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note
The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note is sold, agreed to be
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.

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 requests, to cause the execution of such statements pursuant to the Uniform Commercial Code as the beneficiary may require; and to pay the filing same in the local County where the beneficiary may require; and to pay the lien searches made 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.

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by filing officers of said building, and the beneficiary shall, from time to time, keep the same against loss or damage by fire now or hereafter erected on the said premises, from time to time to require, in and such other hazards as the said insurable value, written in an amount not less than the insurable value, as insured; the beneficiary shall be delivered to the beneficiary such insurance and to the grantor shall fail for any reason at least fifteen days prior to the expiration said policies to the beneficiary now or hereafter placed on said buildings, the beneficiary shall procure the same at grantor's expense, and the beneficiary shall under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured by the beneficiary the entire amount so collected, or may determine, or at option of the beneficiary the entire amount so collected, or any part thereof, to be released to grantor. Such application or release shall not be made, or waived any default or notice of default hereunder or invalidate any other 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 or other charges become past due or delinquent and promptly to deliver receipts therefor to the beneficiary; should the grantor fail to make such payments of any taxes, assessments, insurance premiums, liens or charges payable by grantor, either in full or by direct payment or by check to the beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment thereof and the amount so paid, with interest at the rate set forth in the schedule and the amount so paid, with interest as described in paragraphs 6 and 7 of this 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 principal sum secured by this trust deed, without waiver of any rights of the beneficiary under the covenants hereof and for such payments, with interest as aforesaid, the property herebefore described, and all as the grantor, shall be bound to the extent that the grantor is bound for the payment of the obligations hereby described, and such payments shall be immediately due and payable with the same extent that the grantor is bound for the payment of the obligations hereby described, and the nonpayment thereof shall, at the option of the beneficiary, out notice, and the nonpayment thereof shall, at the option of the beneficiary, 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.

[illegible]

It is mutually agreed that:

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 to elect to require that all or any portion of the amount payable right, if it elects to require that all or any portion of the amount required as compensation for such taking, which are in excess of the amount necessarily paid or incurred by beneficiary for all reasonable costs, expenses and attorney's fees, shall be paid to beneficiary and incurred by grantor in such proceedings, shall be paid to beneficiary and attorney's fees, applied by it first upon any real estate, costs and expenses and attorney's fees, both in the trial and appeal, and the balance applied upon the such actions beneficiary in such proceedings, and grantor agrees, at its own expense, to take such actions secured by such instruments as shall be necessary in obtaining such condemnation, 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 thereon; (d) reconvey, without warranty, all or any part of the property; (e) grant, 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 foregoing shall not be less than \$5.

10. Upon any default by grantor hereunder, the Beneficiary may at any time without notice, either in person, or by a duly authorized agent, or by a receiver to be appointed by a court, and without being bound to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of any property of the grantor, and thereupon, and without being bound to the adequacy of the rents, issues and profits thereof, in its own name sue out and recover, and apply the same, issues and profits, including those payable by the grantor, to the satisfaction of the indebtedness hereby 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.

[illegible]

13. After the time prior to 5 days before the date the ORS 87.735, may cure, the grantor or any other person so privileged by the ORS 87.735, may cure, the default or defaults. If the default or the default may be cured by paying the sums secured by the trust at the time of the cure other than such portion of the entire amount due at the time of the cure as the trustee is capable of not then being due, had no default occurred. Any other performance required under the trust may be cured by tendering in addition to curing the default or defaults, the person else. In any cure shall pay to the beneficiary all the obligation or trust deed. In any cure shall pay to the beneficiary all the obligation or trust deed 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 for in the trust deed.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either as one or more separate parcels and shall sell the parcel or parcels sold to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed in, with or without covenants, express or implied. The receipt of the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, who is present at the sale shall be held to be a party to the sale.

15. When trustee sells pursuant to the power of sale (1) the expenses of sale, including the proceeds of the sale, shall be paid to the trustee and a reasonable charge by trustee to the grantor or his estate, including the obligation secured by the trust deed, (2) the trustee in the trust having recorded liens subsequent to the date of the recording of the trust deed as its 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.

Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor, and may convey to the successor under this appointment, and on all title, powers and duties conferred upon the latter shall be deemed to be conferred on the successor named or appointed hereunder, the latter shall be named or appointed hereunder. Each such appointment upon any trust shall be made by written instrument in the county or counties in which the trust is created, and the recording of the instrument in the county or counties in which, when recorded in the mortgage records, shall be conclusive proof of proper appointment of the successor or successors named or appointed hereunder duly executed and

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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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
October 11, 1988, by
Richard D. Harris and Cheryl
P. Harris.

Wardene J. Addington
(SEAL) Notary Public for Oregon
My commission expires: 3-22-89

STATE OF OREGON,)
County of Klamath,) ss.
This instrument was acknowledged before me on
19____, by
as
of
Notary Public for Oregon
My commission expires:

(SEAL)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

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)
STEVENS-NESS LAW PUBL. CO., PORTLAND, ORE.

Grantor
Beneficiary

AFTER RECORDING RETURN TO:
Aspen Title & Escrow, Inc.
Attn: Collection Department

STATE OF OREGON,)
County of Klamath,) ss.

I certify that the within instrument was received for record on the 11th day of Oct., 1988, at 11:09 o'clock A.M., and recorded in book/reel/volume No. M88 on page 16845 or as fee/file/instrument/microfilm/reception No. 92392, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME TITLE
By *Pauline Muckelbauer* Deputy

Fee \$13.00