

THIS TRUST DEED, made this 14th day of October, 1988, between
James E. Templeton and Ellenrose Templeton
as Grantor, Klamath County Title Company, as Trustee, and

Motor Investment Company
as Beneficiary,

WITNESSETH:

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:

Lot 1, 2, 3, 4, 5, 6, and 7 in BLock 1 of Midland Second Addition, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 connection with said real estate.

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

sum of Fifty Five Hundred Twenty One and 51/100 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, it

October 25, 1991 with the final installment of said note

note of even date herewith, payable to beneficiary of said note, on or before the date, stated above, on which the final installment of said note is to be paid, to be due and payable on the date, stated above, on which the final installment of said note is to be paid, on or before the date, stated above, on which the final installment of said note is to be paid, on or before the date, stated above, on which the final installment of said note is to be paid.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the instrument 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 hereinafter expressed, shall become immediately due and payable.

To protect the security of this trust deed, grantor agrees:

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; and not to 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.

by filing officers or searching agents as 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 Insurable Value written in and attached hereto shall require, to wit:

Insurable Value \$100,000.00

not less than \$_____ payable to the latter; all

and such other hardships as the insurer may value _____, written in and amount not less than \$_____. The beneficiary, with loss payable to _____, latter; all companies acceptable to the beneficiary as soon as insured under the policies of insurance shall be required to procure any such insurance and if the grantor shall fail for any reason to procure any such insurance, the deliver said policy to the beneficiary at least fifteen days prior to the expiration of the policy of insurance now or hereafter placed and the building construction policy of insurance may be procured by the beneficiary at the expense. The beneficiary may procure the same at grantor's expense. The beneficiary may collect under any fire or other insurance policy which may be applied by beneficiary under 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 be a release of the grantor from any default or notice of default hereunder or invalidate any or cure any defect in or under this notice.

[illegible]

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 and costs reasonably 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 such action to prosecute or defend which the beneficiary or trustee may appear, including the production or the foreclosure of this deed, to pay the costs and expenses, including attorney's fees, of the beneficiary or trustee's attorney's fees, including evidence of title and the testimony in this paragraph 7 in all cases shall amount to a full and complete satisfaction of any judgment or any judgment filed in 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 adjudicate reasonable as the beneficiary's or trustee's attorney's fees actually incurred.

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, if it so elects, to require that all or any portion of the monies payable as compensation for such taking be in excess of the amount required to pay all such costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and attorney's fees, applied by it first upon any reasonable costs and expenses and attorney's fees, applied in the trial and proceedings, and the balance applied upon the interest and such other claims of beneficiary, and the balance of such actions secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as beneficiary may 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) recover, 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 foregoing in this paragraph shall be not less than \$5.

[illegible]

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 in such notice.

[illegible]

13. After the time prior to 5 days before the date that the trust or trust agreement is to be sold, and at any time prior to 5 days before the date that the trust or trust agreement is to be sold, the grantor or any other person so privileged under ORS 86.753, may cure the default or defaults. If the default or defaults may be cured by paying to the beneficiary the sums secured by the trust or trusts, the time of the cure other than such period of time as the entire amount due had no default occurred. Any other performance required under the trust or trusts being cured may be cured by tendering, in addition to curing the default, the sums due under the obligation or obligations to the beneficiary. The obligation or obligations to the beneficiary shall pay to the beneficiary the sums actually incurred in enforcing the obligation or obligations of the trust due together with trustee's and attorney's fees not exceeding the amounts provided for 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 is postponed, and the property shall be sold in one or more parcels, or in one parcel or in separate parcels and shall sell for the highest bid or bids made at the time of sale. Trustee shall deliver to the purchaser the deed in form as required by law conveying the property, but without any covenant or warranty, express or implied, and the specialts in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, firm or corporation who purchases at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of the sale to the payment of (1) the expenses of sale, including the commission of the trustee and a reasonable charge by the trustee, (2) to the obligation secured by the trust of the trustee in the having recorded liens subsequent to the order of priority and (4) to the deed as their interests may appear in the order of their priority and any surplus, if any, to the grantor or to his successor in interest entitled to

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed by or under. Upon such appointment, without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties of the trustee, the latter herein named or appointed hereunder. Each appointment and substitution shall be made by written instrument of the county or counties in which the property situated, shall be conclusive proof of proper appointment of the proper trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is 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 696.595.

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, } ss.
County of Klamath
This instrument was acknowledged before me on 10/14, 1988, by

JAMES E. TEMPLETON
ELLEN ROSE TEMPLETON
Notary Public for Oregon
My commission expires: 11/23/90

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

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. 681)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

James E. Templeton and
Ellenrose Templeton
Grantor
Motor Investment Company
Beneficiary

AFTER RECORDING RETURN TO
Motor Investment Company

531 S. 6th - PO Box 309
Klamath Falls, Or 97601

Fee \$13.00

STATE OF OREGON, } ss.
County of Klamath

I certify that the within instrument was received for record on the 14th day of Oct., 1988, at 2:49 o'clock PM., and recorded in book/reel/volume No. M88 on page 17330 or as fee/file/instrument/microfilm/reception No. 92679. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
NAME TITLE
By Darlene Mullenbach, Deputy