

**WITNESSETH:**

The East 100 feet of Lot 19, Independence Tracts, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Forty Three Hundred Twenty One and 77/100 —

sum of Forty Three Hundred Twenty One and 11/100 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, if December 5, 1993, indicated above on which the final installment of said note

not sooner paid, to be due and payable December 5, 1933, 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, or then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or shall become immediately due and payable.

... shall become immediately due and payable.

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;

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, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the

by filing officers or searching agencies as may be deemed desirable by 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 other hazards of insurable value for the term of years specified in an amount not less than \$ \_\_\_\_\_, payable to the latter; all companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance procured by the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to file the grantor's policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same insurance policy at the expense of the grantor; the beneficiary may procure the insurance policy may be applied by beneficiary collected under any such indebtedness secured hereby and in such order as beneficiary may determine; or at option of beneficiary the entire amount so received may determine, or at option of beneficiary the entire amount so received shall in part thereof, may be released to grantor, whether upon or release shall not cure or waive any notice of default hereunder or invalidate any 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, the grantor shall, at the option of the beneficiary, make payment of such taxes, assessments and other charges by (a) paying the same due or delinquent and promptly deliver receipts therefor to the beneficiary, or (b) causing the grantor, fail to make payment of any such taxes, assessments, insurance premiums, liens or other charges payable by the grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at the option, make payment thereof, 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 trust deed, without waiver of any rights arising from breach of the covenants hereof and for such payments, with interest thereon, shall be bound to the beneficiary hereinafter described, as well as the grantor, and the payment of the obligation herein same extent that they are bound to make the same immediately due and payable with- described; and all such payments thereof shall, at the option of the beneficiary, out notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall be included in such 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 actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or power of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay the costs and expenses, including the attorney's fees; and the beneficiary or trustee shall be bound by the decision of the court in all matters arising out of this deed, including evidence of title and the amount of the debt secured in this paragraph 7 in all cases shall be the amount of attention to be given to the deed by the court in the event of an appeal from any judgment of the trial court and in the event of an appeal from any judgment of the appellate court shall attend reasonable as the beneficiary's or trustee's attorney shall deem proper in such appeal.

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 money payable in compensation for such taking, which are in excess of the amount necessarily paid or to pay all reasonable costs, expenses and 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 reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness then secured hereby; and grantor agrees, at its own expense, to cause such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the record endorsement (in case of full reconveyances, for cancellation), without reflecting 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, 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 and all demand in writing by the undersigned hereunder, beneficiary may at any time and from time to time, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security or collateral, cause to be paid or delivered to the undersigned hereunder, or to the agent or receiver so appointed by a court, the sum of the indebtedness hereby secured, either in cash or by check, and may also collect the rents, profits or any part thereof, and may also sue on or otherwise collect the rents, profits, including those past due and unpaid, and apply the same to the payment of the principal and interest hereon, together with the reasonable attorney's fees, and the 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 deem proper.

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

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed by either by mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to purchase the property secured hereby, either at law or in equity, which the beneficiary may, in the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the property described real property to satisfy the obligation secured hereby within the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed as provided in ORS 86.735 to 86.795.

[illegible]

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 in one parcel or in separate parcels and shall sell the same at public auction to the highest bidder for cash on or before the time of sale. Trustee shall deliver to the purchaser a deed in form as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person attending the trustee, but including the trustee at the sale.

of the truthfulness thereof. Any person, estate or entity who acquires an interest in the grantor and beneficiary, may purchase at the 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 costs of taxation of the trustee and a reasonable charge by trustee as agent for the trust; (2) to the obligation secured by the trust deed; (3) to the satisfaction of all liens recorded against the property in the trust having recorded liens subsequent to the interest of said trust 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 trustee.

7. 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 proceeding made 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 696.565.

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 acknowledgment opposite.)

STATE OF OREGON,

County of \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_

1988, by \_\_\_\_\_

Raymond E. Yates  
Virginia M. Yates

Notary Public for Oregon

My commission expires: 11/27/90

(SEAL)

NOTARY PUBLIC

170

STATE OF OREGON,

County of \_\_\_\_\_

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.

Trustee.

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

OF LIFE (FORM NO. 881) 1105 OF 41  
STEVENS-NESS LAW, PUBL. CO., PORTLAND, ORE.

Raymond E. Yates and \_\_\_\_\_

Virginia M. Yates

Grantor

Motor Investment Company

Beneficiary

AFTER RECORDING RETURN TO

Motor Investment Company

P O Box 309

Klamath Falls, Or 97601

STATE OF OREGON,

County of Klamath

I certify that the within instrument

was received for record on the 1st day

of Dec., 1988,

at 8:52 o'clock A.M., and recorded

in book/reel/volume No. M88 on

page 20255 or as fee/file/instru-

ment/microfilm/reception No. 94425,

Record of Mortgages of said County.

Witness my hand and seal of

County attixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By \_\_\_\_\_ Deputy

Fee \$13.00