

THIS TRUST DEED, made this

as Beneficiary,

WITNESSETH: \_\_\_\_\_ in trust with power of sale, the property

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS BEING  
RECORDED SECOND AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF  
EQUITABLE SAVINGS AND LOAN ASSOCIATION. SEE EXHIBIT "A" ATTACHED

RECORDED SECOND AND THIRD EDITIONS OF THE  
EQUITABLE SAVINGS AND LOAN ASSOCIATION.  
----- SEE EXHIBIT "A" ATTACHED  
HERETO AND BY THIS REFERENCE MADE A PART HEREOF.

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.

sum of TWENTY ONE THOUSAND SIX HUNDRED THIRTY AND 65/100,  
(\$21,630.65) Dollars, with interest thereon according to the terms of a promissory note made by grantor to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if

note of even date herewith, payable to beneficiary or order and made by grantor, the sum of \$21,630.83 at maturity of Note \_\_\_\_\_, 19\_\_\_\_\_, on which the final installment of said note not sooner paid, to be due and payable \_\_\_\_\_, the date, stated above, on which the final installment of said note is due, and the principal of the debt secured by this instrument or any part thereof, or any interest therein is sold, agreed to be sold, or otherwise disposed of, without the consent or approval of the beneficiary.

The date of maturity of the debt secured by this instrument, or any part thereof, or any interest thereon, becomes due and payable. In the event the within described property, or any part thereof, or any interest thereon, is 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, 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; not to commit or permit any waste of said property.

and repair; not to remove any waste of said property.

2. To not commit or permit any waste of said property and in good and workmanlike manner to repair or restore promptly and at its expense any and all structures, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all existing laws, ordinances, regulations, covenants, conditions and restrictions governing said property; if the beneficiary is a Uniform Commercial Code state, to cause the beneficiary to cause the beneficiary to file same in the public office or offices, as well as the cost of all lien searches made by filing offices or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings and contents thereof against fire, theft, and damage by fire.

[illegible][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 and attorney's fees actually incurred, in and defend any action or proceeding purporting to be brought against the trustee; and in any suit brought by the trustee.

7. To appear in and defend any action or proceeding purporting to affect property rights or powers of beneficiary or trustee; and in any suit or action or proceeding in which the beneficiary's or trustee's attorney's fees, including the fee for the preparation of this deed, to pay all costs and expenses, in any suit for the foreclosure of the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7, in all cases shall be paid 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 shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such 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 therefor as compensation for such taking which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily incurred by plaintiff first upon any reasonable costs and expenses and attorney's fees applied by the trial and appellate courts necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grants, agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such monies from the instruments as shall be necessary in obtaining such monies upon written request of beneficiary.

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

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the hereunto property. The grantee, if duly reconveyance may be described as the "person or persons named in the deed of reconveyance" and the recitals thereof, and the facts shall constitute conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

be conclusive proof of the factgraph shall be not less than \$50.  
services mentioned in this paragraph shall be not less than \$50.  
any default by grantor hereunder, beneficiary may at any  
time without notice, either in person, by agent or otherwise,  
pointed by a court, and without need to show adequacy of any security for  
the indebtedness herein secured, enter upon and take possession of all  
issues and profits, including those past due or owing, and apply the same  
towards satisfaction of the indebtedness herein secured, including reasonable  
less costs and expenses incurred in such collection, including reasonable  
beneficiary's fees and expenses.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said property, the

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 any default or notice of default hereunder or invalidate any act done pursuant to such notice.

[illegible][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 parcels or parcels at the time of sale. The trustee may sell in separate parcels and shall sell in separate parcels to the highest bidder for cash, at the time of sale. Trustee shall deliver to the purchaser for each parcel in form as required by law concerning the property, without any covenant or warranty, and the conclusive proof of the truthfulness thereof. Any purchase of the sale, including the trustee, but including the purchaser of the sale, shall be provided herein, trustee.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of the sale to payment of (1) the expenses of sale, including the commission of the trustee and a reasonable fee, (2) to all persons claiming an interest in the property sold, (3) to the obligation secured by the deed, and (4) to the balance to the grantor or his heirs, assigns, and assigns, in the order of their priority. If the deed is sold for less than the amount of the debt secured by the deed, the trustee may from time to time appoint a successor or successors to complete the sale and distribute the proceeds of the sale.

16. Beneficiary may from time to time appoint a successor or successors to any successor trustee appointed herein and without conveyance to the beneficiary of the duties conferred upon or under. Upon such appointment, the beneficiary shall be vested with all title, powers and duties of the trustee herein named or appointed. Each such appointment and substitution shall be made by an instrument executed by beneficiary in which the beneficiary is named as grantor and the trustee as grantee, in which, when recorded in the mortgage records of the county in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee. In witness whereof, the beneficiary has hereunto set his hand and seal of office, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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 696.565.

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 existing Trust Deed in favor of Equitable Savings and Loan Association recorded on October 16, 1978 in Book M-78 at page 23144.

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

This instrument was acknowledged before me on  
December 23, 19 88, by

Lana Watson-Dawkins

Notary Public for Oregon  
My commission expires: 7-23-89

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.

TO: \_\_\_\_\_, 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

(FORM No. 881)

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

Lana Watson-Dawkins

Grantor

Gary Smithers

Beneficiary

AFTER RECORDING RETURN TO  
Aspen Title & Escrow, Inc.  
600 Main Street  
Klamath Falls, OR 97601

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON,

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

I certify that the within instrument was received for record on the \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_\_, at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded in book/reel/volume No. \_\_\_\_\_ on page \_\_\_\_\_ or as fee/file/instrument/microfilm/reception No. \_\_\_\_\_, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME

TITLE

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

## EXHIBIT "A"

THIS TRUST DEED IS AN "ALL INCLUSIVE TRUST DEED" AND IS SECOND AND SUBORDINATE TO THE TRUST DEED NOW OF RECORD DATED OCTOBER 2, 1978, AND RECORDED OCTOBER 16, 1978 IN BOOK M-78 AT PAGE 23144, IN THE OFFICAL RECORDS OF KLAMATH COUNTY, IN FAVOR OF EQUITABLE SAVINGS AND LOAN ASSOCIATION, AS BENEFICIARY, WHICH SECURES THE PAYMENT OF A NOTE THEREIN MENTIONED. GARY SMITHER, THE BENEFICIARY HEREIN AGREE TO PAY, WHEN DUE, ALL PAYMENTS DUE UPON SAID PROMISSORY NOTE IN FAVOR OF EQUITABLE SAVINGS AND LOAN ASSOCIATION, AND WILL SAVE TRUSTORS HEREIN LANA WATSON DAWKINS, HARMLESS THEREFROM. SHOULD THE SAME BENEFICIARY HEREIN DEFAULT IN MAKING ANY PAYMENTS DUE UPON SAID PRIOR NOTE AND TRUT DEED, TRUSTOR HEREIN MAY MAKE SAID PAYMENTS AND ANY SUMS SO PAID BY TRUSTOR HEREIN SHALL THEN BE CREDITED UPON THE SUMS NEXT TO BECOME DUE UPON THE NOTE SECURED BY THIS TRUST DEED.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 10th day  
 of Jan. A.D., 19 89 at 3:21 o'clock PM., and duly recorded in Vol. M89,  
 of Mortgages on Page 622.  
 Evelyn Biehn County Clerk  
 By Pauline Mullenders

FEE \$18.00