

TRUST DEED

as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY

LELAND D. HON and DOROTHY M. HOGAN, not as tenants in common, but with the right of survivorship as Beneficiary,

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 6 in Block 5, TRACT NO. 1065, IRISH BEND, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, TOGETHER WITH an undivided 1/90th interest in and to Lot 12, Block 4, IRISH BEND.

Klamath County Tax Account #3507-017CD-00800.

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 EIGHT THOUSAND TWO HUNDRED SEVENTY-THREE AND 23/100 Dollars, with interest thereon according to the terms of a promissory note of the date hereof, made by the said grantor to the said grantee, the said grantor hereby covenants, warrants and agrees that he, his heirs, assigns and assigns-in-interest shall and lawfully shall, defend, maintain and keep the said grantee, his heirs, assigns and assigns-in-interest, harmless from and against all claims, demands, suits, actions, damages, costs and expenses, including reasonable attorneys' fees, which may be asserted against or incurred by the said grantee, his heirs, assigns and assigns-in-interest, in connection with or arising out of the performance of the said agreement of grantor herein contained and payment of the said sum of money.

sum of EIGHT THOUSAND TWO HUNDRED SEVENTY-THREE AND 25/100 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 not sooner paid, to be due and payable per terms of Note, 1919.
The date right secured by this instrument is the date, stated above, on which the final installment of said note or any interest therein is sold, agreed to be

note of even date herewith, payable to beneficiary per terms of Note, 19 ,
not sooner paid, to be due and payable per terms of Note, 19 ,
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, 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.

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.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed, and pay when due all costs incurred therefor.

2. To complete or restore in any 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.

beneficiary. _____ and continuously maintain insurance on the buildings

4. To provide and continuously maintain, repair, replace, reconstruct, now or hereafter erected on the beneficiary may (from time to time require, in and such other hazards as the beneficiary may deem it prudent to insure, an amount negotiable to the beneficiary, with loss payable to the insured companies acceptable to the beneficiary, with loss payable to the insured companies shall be delivered to the beneficiary, in full insurable value, written policies of insurance shall fail or any reason to procure any insurance and to deliver said policies to the beneficiary a lead or later placed on said buildings or any policy of insurance now or hereafter in force at grantor's expense. The amount of the beneficiary may procure any other insurance policy 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 of loss or may detain any or all of the same, and in such order as beneficiary may determine thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep the 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 and other charges become past due or delinquent and promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payment of any taxes, assessments or other charges payable by grantor, either by cash, check, drafts, payments, insurance premiums, liens or other charge payable by grantor, either by direct payment or by providing the beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment therefor and the amount so paid, with interest at the rate set forth in the note and the amount so paid on the obligations described in paragraphs 3 and 4 of this hereby, together with the obligations described in paragraphs 3 and 4 of this trust deed, shall be added to and become a part of the obligations secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the principal hereinbefore described, as well as the payment of the obligation hereunto in such extent that they are bound to pay immediately due and payable as herein described, and all such payments shall be immediately due and payable upon notice, and the payment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall be a part of this trust deed, and this trust including the covenants

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:

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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 in compensation for such taking, which is in excess of the amount necessarily paid or to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon such proceedings, costs and expenses and attorney's fees, both in the trial and on appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the interest secured by the deed, and grantor agrees, at its own expense, to take such actions as may be necessary and grantor agrees, at its own expense, to take such actions and execute 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. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matter or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the actions mentioned 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 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or upon 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 or her option may proceed to foreclose this trust deed in equity as a mortgage, may direct the trustee to foreclose this trust deed as a mortgage, may sell, or may direct the trustee to pursue any other right of a mortgagee, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose, cause to be recorded his written notice of default and his election to foreclose, and the trustee shall record his written notice of the trustee shall execute to the beneficiary a deed conveying all the property to the beneficiary, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose, cause to be recorded his written notice of default and his election to foreclose, and the trustee shall record his written notice of the trustee shall execute to the beneficiary a deed conveying all the property to the beneficiary, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose, cause to be recorded his written notice of default and his election to foreclose, and the trustee shall record his written notice of the trustee shall execute to the beneficiary a deed conveying all the property to the beneficiary, either at law or in equity, which the beneficiary may have.

secured hereby whereupon the trustee shall cause the same to be foreclosed by law and proceed to foreclose this trust deed notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement as provided in ORS 86.735 to 86.795, the trustee shall, at any time prior to 5 days before the date the trustee conducts the sale, and any other person so privileged to do so, may cure the default or defaults. If the default or defaults may be cured by paying the sums secured by the trust deed, the person effecting the cure other than such portion as would be due at the time the cure occurred. Any other default that is capable of being cured may be cured by tendering the performance required by the obligation or obligations secured. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs 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 by law.

14. The trustee shall be held on the date and at the time a

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 as provided by law. The trustee may sell the property either in one parcel or in separate parcels and may, at the time of sale, trust the auction to the highest bidder and may, if desired, be payable at the time of sale. Trustee shall deliver to the purchaser a deed without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusively presumed to be true and correct. The trustee shall be bound by the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the powers provided herein, trust

[illegible]

16. Beneficiary may from time to time appoint a successor or successors to exercise the powers herein conferred upon him and without conveyance to the successor or successors. Upon such appointment the powers and duties herein conferred upon the beneficiary shall be vested with all title, powers and duties herein conferred upon the beneficiary and the beneficiary shall appoint and substitute as many times as he may desire, up to a trustee herein named or appointed hereunder, a successor or successors, and substitution shall be made 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.

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 696.585.

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 except Trust Deed dated September 6, 1984, recorded September 14, 1984, in Volume M84, page 15958, Microfilm Records of Klamath County, Oregon, in favor of Charles M. Randall, as Beneficiary, which the Grantors named herein agree to assume and pay in full 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).

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.

Franklin M. Puddy
FRANKLIN M. PUDDY
Susan C. Puddy
SUSAN C. PUDDY

(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 April 27, 1989, by

FRANKLIN M. PUDDY and SUSAN C. PUDDY

(SEAL)

My commission expires: 11/16/91

STATE OF OREGON,

County of

This instrument was acknowledged before me on

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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. 681)

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

FRANKLIN M. PUDDY and SUSAN C. PUDDY

HC 30 Box 1612

Chiloquin, OR 97624

Grantor

LELAND D. HON and DOROTHY M. HOGAN

P.O. Box 703

Chiloquin, OR 97624

Beneficiary

AFTER RECORDING RETURN TO
MOUNTAIN TITLE COMPANY OF
KLAMATH COUNTY

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,
County of Klamath

I certify that the within instrument was received for record on the 2nd day of May, 1989, at 3:27 o'clock P.M., and recorded in book/reel/volume No. M89 on page 7578 or as fee/file/instrument/microfilm/reception No. 99748. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

By _____ Deputy

Fee \$13.00