THIS TRUST DEED, made this 8th day of May ,	19.89,	between
as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY	se True	
ROBERT F. PENNY and BARBARA N. PENNY, husband and wife		anu

as Beneficiary,

## WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property 

That portion of Lot 29, Section 14, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at a point 30 feet North and 992.5 feet East of the Southwest corner of Lot 29, Section 14, Township 36 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon; thence East on a line parallel with the South line of the said Lot 29, 209 feet; thence North 209 feet; thence West 209 feet; thence South 209 feet to the place of beginning.

Klamath County Tax Account #3612-01400-02800.

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

OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of TWENTY-FOUR THOUSAND AND NO/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

sold, conveyed, assigned or alienated by the frantor without lists then, at the beneficiary's option, all obligations secured by this inst 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: or protect, preserve and maintain said property in good condition and repair to resite of said property.

2. To complete or resite of said property.

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3. To comply with all save, ordinancy be constructed, damagled or destroyed thereon, and pay when due all costs source of the constructed, damagled or destroyed thereon, and pay when due all costs source of the uniform constructed of destroyed thereon, and pay when due all costs source of the uniform constructed, damagled or destroyed thereon, and pay when due all costs source of the uniform constructed, damagled or destroyed thereon, and pay when due all costs source of the beneficiary so requests, to join in executing such linancing statements pursuant to the Uniform constructions and restrictions altecting said property; if the beneficiary so requests, to join in executing such linancing statements pursuant to the Uniform machine 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 may produce and continuously maintain insurance on the buildings now or hereafter exected on the said premises against loss or damagle by lite send of the particular produces of the said premises against loss or damagle by lite said such officers or searching agencies as may be deemed desirable by the beneficiary and other charges against loss or damagle by the beneficiary and the said premises against loss or damagle by the beneficiary and the property of the product of

It is mutually agreed that:

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8. In the event that any portion or all o' said property shall be taken under the right of eminent domain or condemnation, beneficiarly shall have the right, it it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's lees necessarily paid or incurred by granton such proceedings, shall be paid to beneficiarly and applied by it lirst upon any reasonable costs and expenses and attorney's lees, both in the trial and appliate courts, necessarily paid or incurred by beneficiarly in such proceedings, and the balance applied upon the indebtedness excurred hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such companion, pomptly upon beneficiarly request.

9. At any time and from time to time upon written request of beneficiary, payment of its lees and presentation of this deed and the note for endorsent (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 allocting this deed or the lien or charge thereof; (d) reconcy, without warranty, all or any part of the property. The grantee in any receives may be described as the "person or persons legally entitled thereto, and the recitals therein of any matters or lacts shall be conclusive proof the truthfulness thereof. Trustee's lees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a durt, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part faceof in its own name sue or otherwise collect the rents, issues and profits, including sees past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's lees upon any indebtedness secured hereby, and in such order as beneficiary may determine secured hereby, and in such order as beneficiary may determine and profits, or the proceeds of line and other insurance policies or compensation or awards for any taking or damage of the insurance policies or compensation 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.

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 in his performance of any agreement hereunder, time being of the essence with respect to such payment and several network performance, the heneliciary may declare all sums secured hereby immediate performance, the heneliciary may declare all sums secured hereby immediate performance, the heneliciary may declare all sums secured hereby immediate performance, the heneliciary may declare all sums secured hereby immediate performance this trust deed in equity as a mortgage or direct the trustee to pursue this trust deed by advertisement and sale, or may direct the trustee to pursue my other right or remedy, either at law or in equity, which the beneliciary may have been the beneliciary elects to loreclose by advertisement and sale, the event the beneliciary elects to loreclose by advertisement and sale, the event and cause to be recorded his written notification and his election to sell the said described real property to satisfy the obligation and his election to sell the said described real property to satisfy the obligation of the trustee shall it is the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 66.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case,

together with trustee's and attorney's lees not exceeding the amounts provided by law.

4. 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 naction parcel or in separate parcels and shall sell the parcel or parcels at a succeeding the property of the property of the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of lact shall be conclusive proof of the truthiluless thereof. Any person, excluding the trustee, but including 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 compensation of the truste and a reasonable charge by trustees attorney. (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the frantor or to his successor in interest entitled (5).

surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. Beneliciary 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.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by low. 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 frantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Died 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, against or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.505.

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 none

and that he will warrant and forever defend the same against all persons whomsoever.

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 gender includes the terminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said gra	ntor has bereinto set his i	nand the day and year first above written.
* IMPORTANT NOTICE: Delete, by lining out, whichever we not applicable; if warranty (a) is applicable and the bene as such word is defined in the Truth-in-Lending Act and beneficiary MUST comply with the Act and Regulation disclosures; for this purpose uso Stevens-Ness Form No. 1: If compliance with the Act is not required, disregard this r	arranty (a) or (b) is ficiary is a creditor I Regulation Z, the y making required	Parof Marcus
(If the signer of the above is a corporation, use the form of attinguised general coposite.)		
County of Kilainath  This instrument was acknowledged before m	e on This instrument was	ON, ) Ss. Sacknowledged belore me on
CAROL MARCUS  A FUST  Notary Public for Or	7 d	
(SEAL) / My commission expires: ///6/9/	egon Notary Public for Or My commission expir	(CEAL)
herewith together with said trust deed) and to reconvestate now held by you under the same. Mail reconve	ey, without warranty, to the peyance and documents to	need by said trust deed (which are delivered to you parties designated by the terms of said trust deed the
english i german a la personal de personal de personal de la perso	en gere de la companya de la company	Beneticiary
Do not lose or destroy this Trust Deed OR THE NOTE which	it secures. Both must be delivered to the	ne trustee for cancellation before reconveyance will be made.
TRUST DEED  (FORM No. 881) STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.		STATE OF OREGON,  County ofKlamath
CAROL MARCUS	<ul> <li>State of the control of the</li></ul>	was received for record on the 9th day of May 19.89, at 12:48 o'clock P.M., and recorded
ROBERT F. PENNY and BARBARA N. PENN P.O. Box 7 Beatty, OR 97621  Beneficity	SPACE RESERVED FOR RECORDER'S USE	in book/reel/volume No
AFTER RECORDING RETURN TO		County affixed.
MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY	e \$13.00	Evelyn Biehn, County Clerk NAME TITLE By Pauline Maiden den Deputy