poin in executing such timaning 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 thing officers or searching agencies as may be deemed desirable by the beneficiary. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by five and such other hazards as the heneficiary may for intended in the normal continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by five and such other hazards as the heneficiary may the first provide in an amount not less than \$\frac{3}{2}\$. VACCILL. LCILO.

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In an amount not less than \$\f

ney'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 animent domain or condemnation, beneficiary shall have the tright, if it so elects, to require that all or any portion of the monies payable right, if it so elects, to require that all or any portion of the amount required as compensation for such taking, which are in excess of the amount required to compare the such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable couts and express and attorney's frequentially in such a pellate courts, necessarily paid to incurred by teneficiary in such and applied eccurts, necessarily paid or incurred by teneficiary in such actions and the balance applied upon the indebteched liciary in such actions and execute such instruments as shall be necessary in obtaining such actions and execute such instruments as shall be necessary in obtaining such actions and execute such instruments as shall be necessary in obtaining such actions. Per any time and from time to time upon written request of beneficiary payment of its less and presentation of this deed and the note for enforcement (in case of full reconveyances, for or neclisation), without alterial the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making of any map or plat of sake property; (b) join in

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

12. Upon delault 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 heneliciary may decay the heneliciary at his election may proceed to foreclose this trust dead eall sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed of equity as a mortgage or direct the trustee to foreclose this trust deed by a dvertisement and sale, or may direct the trustee to foreclose this trust deed by a dvertisement and sale, or may direct the trustee to pursue any other right of the trustee to the control of the trustee to the trustee that it is a trust of the trustee than the trustee to the trustee that the trustee that it is the trustee that it is the trustee that it is the trustee that the trustee to the trust deed, the delault 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 delault occurred. Any other delault that is capable of heligation or trust deed. In any case, in addition to curing the delault obligation or trust deed. In any case, in addition to curing the delault obligation or trust deed. In any case, in addition to curing the delault the obligation or trust de

together with trustee's and attorney's lees not exceeding the amounts provided 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 may be postponed as provided by lew. The trustre may sell said property either in one patted or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for eash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying 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 truthfulness thereof. Any person, excluding the trustee, but including the granter 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 trustee and a reasonable charge by trustee sufforney, (2) to the obligation secured by the trust deed, (3) to all persons autorney, (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 early lies, if any, to the grantor or to his successor interest entitled to surplus.

deed as first interest entitled to such as 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 hereinder. Upon such appointment, and without conveyance to the successor trustee, the latter shalp be vested with all title, powers and duties conferred trustee, the latter shalp be vested with all title, powers and duties conferred trustee, the latter shalp be made by written instrument executed by beneliciary, and substitution shall be made by written instrument executed by beneliciary, and substitution shall be made by written instrument executed by beneliciary, which, when recorded in the mortfage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee, this trust when this deed, duly executed and acknowleds. I is made a public record as provided by law. Trustee is not obligated to notily any party hereto of pending sule 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 trustate heriunder 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 liusinats 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, agants or branches, the United States or any agency thereof, or an escrow agent licensed under OKS 696.505 to 696.585.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawrully 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 proceed's of the loan represented by the above described note and this trust deed are: (a)\* primarily for grantor's personal, lamily or household purposes (see Important Notice below),
(b) for an organization, or (even it strantor is a natural person) are for business or commercial purposes. This deed applies to, incres to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, portonal representatives, successors and assigns. The term beneficitry shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a leneficiary 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 frantor has hereunto set his hard the day and year first above written. \* IN PORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is a cipalicable and the banefidary is a craditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the Kerry S. Penn bonoficiary MUST comply with the Act and Regulation by making regulated disclosures; for this purpose use Sievens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice. 19.31 INDIVIDUAL. STATE OF CALIFORNIA } ss. COUNTY OF LOS ANGELES On this 25th day of AUGUST, in the year 1989 before me, the undersigned, a Notary Public in and for said State, personally appeared KERRY S. PENN \* \* \* \* \* OFFICIAL SEAL TERRI L ALLEN appeared\_ personally known to me LOS AMBELES COUNTY proved to me on the basis of satisfactory evidence My comm. expires IUN 28, 1991 to be the person whose name is subscribt d to this instrument, and acknowledged to me that he (she or they) executed it (SEAL) Ille (This area for official seal) Signature NOTARY PUBLIC IT AND FOR SAID STATE 7-721 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 raid trust deed or pursuant to statute, to canvel 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. Muil reconveyance and documents to ... DATED: Beneticiary er destrey this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for concellation before reconveyance will be m STATE OF OREGON, TRUST DEED SS. County of ..... (FORM No. 881-1) I certify that the within instrument STEVENS-NEST LAW PUB. CO., PORTLAND. was received for record on the ......day Kerry S. Penn Gard ser 18840 Ventura Blvd, Suite 215 ..... o'clock .....M., and recorded Tarzana, CA 91356 in book/reel/volume No. .... SPACE RESERVED page ..... or as fee/file/instru-FOR Lloyd C. Dunlap HC 30 Box 1304 ment/microfilm/reception No....., RECORDER'S USE Record of Mortgages of said County. Chiloquin, OR 97624 Witness my hand and seal of County affixed: AFTER RECORDING RETURN TO 动物 Mountain Title Company TITLE 222 South Sixth Jane, 1968 Klamath Falls, OR 97601 Deputy By ....

MTC No: 21845-D

## EXHIBIT "A" LEGAL DESCRIPTION

A tract of land situated in Government Lot 6 of Section 18, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the Northeast corner of Parcel 2 of Minor Land Partition 36-83, from which the N1/4 corner of said Section 18 hears North 00 degrees 09' 35" East 767.85 feet; thence South 89 degrees 06' 41" West 502.86 feet to the Northwest corner of said Parcel 2; thence South 00 degrees 52' 52" East, along the West line of said Parcel 2, 172.00 feet; thence North 89 degrees 06' 41" East 499.74 feet to the East line of said Parcel 2; thence North 00 degrees 09' 35" East 172.03 feet to the point of beginning, with bearings based on the survey of Minor Land Partition No. 17-83.

Tax Account No: 3507 01800 00201 (with other property)

STATE OF OREG	GON: COUNTY O	F KLAMATH:	ss.				
Filed for moond	at request of	Mountain T	Ltle Co.		the	30th	day
of	Aug. A.D.	19 89 at 1	2:23 o'clock	PM., and du	ly recorded in V	/ol. <u>M89</u>	
	of	Mortgage	<u>s</u> 0	n Page162	<u> 295                                    </u>		
			Evely	n Biehn	County Clerk		
FEE \$18.00		한번호를 잃어내다.	By	Carre	ine Mu	ile nold	<u>re</u>