

TRUST DEED

Vol. m89 Page 19673

as Grantor, MOUNTAIN TITLE COMPANY, as Trustee, and
JOHN A. HOLLEMON and DOROTHY M. HOLLEMON, or the survivor

as Beneficiary,

WITNESSETH:

WITNESSETH:
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

See attached Exhibit "A", which is incorporated herein by reference.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Fifty-Two Thousand and 00/100 Dollars.

sum of Fifty-Two Thousand and 00/100 Dollars 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 pursuant to terms of promissory note.

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.

WITNESSED BY ME THE UNDERSIGNED

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 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 file 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.

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 such other hazards as may from time to time require, in an amount not less than the full insurable value, written in an amount acceptable to the beneficiary, with loss payable to the latter, all policies of insurance shall be delivered to the beneficiary, and such insurance and if the grantor shall fail for any reason to deliver said policies to the beneficiary at least fifteen days prior to the expiration of the policy, of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured by the beneficiary, or the beneficiary may determine, or at option released to grantor. Such application or release shall in no way constitute a release or waiver of any default or notice of default hereunder or invalidate any action hereunder or any action taken hereunder or any action taken hereunder pursuant to 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 before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, or liens or other charges payable by grantor, either by direct payment to the lienors or providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured by this deed, shall be added to and become a part of the principal amount of this hereby, together with the obligations described in paragraph 4, and all of this trust deed, shall be added to and become a part of the principal amount of 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 property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and the nonpayment thereof shall, at the option of the beneficiary, render the sums secured by this trust deed immediately due and payable and constitute a breach 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 fees actually incurred. and defend any action or proceeding purporting to

[illegible]

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, condemnation, beneficiary shall have the right, if it so elects, to demand that all or any portion of the monies payable under such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees, be paid to beneficiary and incurred by grantor in such reasonable costs and expenses and attorney's fees, applied to the payment of such costs, expenses and attorney's fees, in such the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied to the payment of such costs, expenses and attorney's fees, as shall be necessary in obtaining such compensation, 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 matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees 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 the court, without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise compel payment of the principal and interest on the indebtedness hereby secured, together with the issues and profits, including those past due and to become, and apply the same, less costs and expenses of operation and collection, to the satisfaction of the indebtedness hereby secured, and in such order as beneficiary may determine.

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 pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement herunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all of the debt hereby immediately due and payable. In such an event, the beneficiary at his election may proceed to foreclose this trust, or may direct the trustee to foreclose, or may cause to be advertised by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event that the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the property of the trust, his property to satisfy the obligation secured hereby, then the trustee shall fix 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 86.735 to 86.745.

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, the sum 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 have been paid had no default occurred. Any other default that is cured after it then be due had no default occurred. Any other default that is cured after the being cured may be cured by tendering the performance remaining under the obligation or trust deed. In any case, in addition to the reasonable costs and expenses, the person effecting the cure shall be reimbursed by 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 for in the trust instrument.

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 and by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcels at public auction to the highest bidder. The trustee shall convey the property by deed in one parcel or in separate parcels as sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact or of the authority of the trustmaker in conveying the property to the trustee, but including the truthfulness of the recitals, shall constitute a defense to the trustee, and the trustee, as purchaser at the sale, shall be bound herein.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligations secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust property, (4) to the interests of the beneficiaries in the order of their priority and (5) to 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, the trustee without conveyance to the successor trustee, 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 public 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 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 is or may 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.

89 OCT 17 1968
FBI 04

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.

James R. Ward
JAMES R. WARD
Elizabeth Ward
ELIZABETH WARD

(If the signer of the above is a corporation, use the form of acknowledgement opposite.)

STATE OF OREGON,)
County of Deschutes) ss.
This instrument was acknowledged before me on
October 16, 1989, by James R.
Ward and Elizabeth Ward

[Signature]
Notary Public for Oregon
(SEAL) My commission expires: 10-8-91

STATE OF OREGON,)
County of) ss.
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. 681-1)

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

James R. Ward
Elizabeth Ward

Grantor

Lloyd Hollemon

Beneficiary

AFTER RECORDING RETURN TO

James V. Hurley
P.O. Box 1151
Bend, OR 97709

STATE OF OREGON,)
County of) ss.

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/tile/instrument/microfilm/reception No. _____, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME TITLE
By _____ Deputy

MTC No: 22009

EXHIBIT "A"
LEGAL DESCRIPTION

PARCEL 1

A portion of Section 1, Township 24 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, commencing at the Northeast corner of said Section 1; thence South along the East line of said Section 1, a distance of 326.3 feet to the point of beginning of the tract herein conveyed; thence continuing South along the East line of said Section 1, a distance of 145 feet; thence West and parallel to the North line of Section 1 to the Easterly right of way of State Highway 58; thence Northwesterly along the East right of way line to a point which is due West of the point of beginning; thence East and parallel to the North line of said Section 1 to the point of beginning.

Tax Account No: 2406 001AA 01100

PARCEL 2

Commencing at the Southeast corner of the property described in Parcel 1; thence North along the West line of Section 6, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, a distance of 168.65 feet to a steel rod marked "NNN/256, S6"; thence East along the NNN/256 line of said Section 6, 244.93 feet to a steel rod set 15 feet West of the centerline of an existing right of way for powerline; thence South 15 degrees 19' 12" East, parallel to and 15 feet Westerly of said centerline, a distance of 132.95 feet to a steel rod set on the centerline of an existing road; thence South 82 degrees 44' 10" West, a distance of 282.53 feet to the point of beginning.

Tax Account No: 2407 06B0 00200

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 17th day
of Oct. A.D., 19 89 at 12:04 o'clock PM., and duly recorded in Vol. M89,
of Mortgages on Page 19673

FEE \$18.00

Evelyn Biehn, County Clerk

By Pauline Mussler