

This Deed of Trust, made this 22ND day of NOVEMBER, 19 89, between
 SUZANNE L. DOWN AND RUTH PALMGREN, E/K/A RUTH PUTHUFF and CARL T. PALMGREN
 as Grantor, whose address is (Street and number, city) 1211 CRESCENT AVE, KLAMATH FALLS, 97601
 State of Oregon,
 ASPEN TITLE as Trustee, and COMMONWEALTH MORTGAGE COMPANY OF AMERICA, L.P., A DELAWARE
 LIMITED PARTNERSHIP, 2200 WEST LOOP SOUTH, HOUSTON, TEXAS 77027

Witnesseth That Grantor irrevocably Grants, Bargains, Sells and Conveys to Trustee in Trust, with Power of Sale, the Property
 in KLAMATH County, State of Oregon, described as:

LOT 2, BLOCK 13, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH
 FALLS, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

which said described property is not currently used for agricultural, timber or grazing purposes.
 Together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining,
 and the rents, issues, and profits thereof, Subject However, to the right, power, and authority hereinafter given to and conferred upon
 Beneficiary to collect and apply such rents, issues, and profits.

To Have and To Hold the same, with the appurtenances, into Trustee
 For the Purpose of Securing Performance of each agreement of Grantor herein contained and payment of the sum of
 THIRTY ONE THOUSAND NINE HUNDRED EIGHTEEN AND 00/100 Dollars (\$ ****31,918.00),
 with interest thereon according to the terms of a promissory note, dated NOVEMBER 22, 1989, payable to the
 Beneficiary or order and made by Grantor, the final payment of principal and interest thereof, if not sooner paid, being due and payable
 on the first day of DECEMBER, 2019.

This form is used in connection with deeds of trust insured under the one-to-four family programs of the National Housing Act with require a One-Time
 Mortgage Insurance Premium payment (including sections 203 (b) and (f)) in accordance with the regulations for those programs.
 Previous Editions Are Obsolete

privilege is reserved to pay the debt, in whole or in part, in any installment due date.

Grantor agrees to pay to Beneficiary in addition to the monthly payments of principal and interest payable under the terms of said note, on the first day of each month until said note is fully paid, the following sums:

(a) A sum, as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby as may be required by Beneficiary, in amounts and in a company or companies satisfactory to Beneficiary. Grantor agreeing to deliver promptly to Beneficiary all bills and notices therefor, less all sums already paid therefor divided by the number of months to elapse before 1 month prior to the date when such ground rents, premium, taxes and assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments, before the same become delinquent; and

(b) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Beneficiary to the following items in the order set forth: (i) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums; (ii) interest on the note secured hereby; and (iii) amortization of the principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good prior to the due date of the next such payment, constitute an event of default under this Deed of Trust.

3. In the event that any payment or portion thereof is not paid within fifteen (15) days from the date of the same is due, Grantor agrees to pay a "late charge" of four cents (4c) for each dollar so overdue, if charged by Beneficiary.

4. If the total of the payments made by Grantor under (c) of paragraph 2 preceding shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes or assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Grantor, shall be credited on subsequent payments to be made by Grantor, or refunded to the Grantor. If, however, the monthly payments made under (a) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Grantor any balance remaining in the funds accumulated under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or the Beneficiary acquires the property otherwise after default, Beneficiary shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (a) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note.

To Protect the Security of This Deed of Trust, Grantor Agrees:

5. To keep said property in as good order and condition as they now are and not to commit or permit any waste thereof, reasonable wear and tear excepted.

6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:

(a) to commence construction promptly and in any event within 30 days

from the date of the commitment of the Department of Housing and Urban Development, and complete same in accordance with plans and specifications satisfactory to Beneficiary.

(b) to allow Beneficiary to inspect said property at all times during construction.

(c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Grantor by registered mail, sent to his last known address, or by personal service of the same.

(d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) calendar days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building or improvement thereon.

8. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property.

9. To provide and maintain insurance against loss by fire and other hazards, casualties, and contingencies including war damage as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by the Beneficiary, with loss payable to the Beneficiary and Grantor, as their interests may appear, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums.

10. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

11. To pay at least 10 days before delinquency all assessments upon water company stock, and all rents, assessments and charges for water, appurtenant to or used on connection with said property; to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Deed of Trust.

12. To pay immediately and without demand all sums expended hereunder by Beneficiary of Trustee, with interest from date of expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby.

13. To do all acts and make all payments required of Grantor and of the owner of the property to make said note and this Deed of Trust eligible for insurance by Beneficiary under the provisions of the National Housing Act and amendments thereto, and agrees not to do, or cause or suffer to be done, any act which will void such insurance during the existence of this Deed of Trust.

It is Mutually Agreed that:

14. Should Grantor fail to make any payment or to do any act as herein provided; then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including costs of evidence of title, employ counsel, and pay his reasonable fees.

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any public improvement or condemnation proceeding, or damaged by fire, or partly
quarantined or in any other manner. Beneficiary shall be entitled to all compensation
awards, and other payments or relief therefor, and shall be entitled at its option to
commence, appear in, and prosecute in its own name, any action of price redings, or
to make any compromise or settlement, in connection with such taking, or damage
All such compensation, awards, damages, rights of action and proceeds, including
the proceeds of any policies of fire and other insurance affecting said property, are
herby assigned to Beneficiary, who may after deducting therefrom all its expenses,
including attorney's fees, release any moneys so received by it or apply the same on
any indebtedness secured hereby. Grantor agrees to execute such further assign-
ments of any compensation, award, damage, and rights of action and proceeds as
Beneficiary or Trustee may require.

16. By retaining payment of any sum secured hereby after its due date, Benefi-
ciary does not waive its right either to require prompt payment when due of all
other sums so secured or to declare default for failure to pay.

17. At any time and from time to time upon written request of Beneficiary,
payment of its fees and presentation of this Deed of Trust and the note for endorse-
ment (in case of full reconveyance for cancellation and retention), without affect-
ing 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 of Trust or the lien or charge thereof; (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.

18. As additional security, Grantor hereby assigns to Beneficiary during the
continuance of these trusts, all rents, issues, royalties, and profits of the property
affected by this Deed of Trust and of any personal property located thereon. Until
Grantor shall default in the payment of any indebtedness secured hereby or in the
performance of any agreement hereunder, Grantor shall have the right to collect all
such rents, issues, royalties, and profits earned prior to default as they become due
and payable.

19. Upon any default, Beneficiary may at any time without notice, either in
person, by agent, or by a receiver to be appointed by a court, and without regard to
the adequacy of any security for the indebtedness hereby secured, take possession of
said property or any part thereof, in his own name sue for or
take possession of said property or any part thereof, in his own name sue for or
otherwise collect such rents, issues and profits, including those past due and un-
paid, and apply the same, less costs and expenses of operation and collection, in-
cluding reasonable attorney's fees, upon any indebtedness secured hereby, and in
such order as Beneficiary may determine. The entering upon and taking possession
of said property, the collection of such rents, issues and profits and the application
thereof as aforesaid, shall not cure or waive any default or notice of default hereun-
der or invalidate any act done pursuant to such notice.

20. Upon default by Grantor in payment of any indebtedness secured hereby
or in performance of any agreement hereunder, or should this Deed and said note
not be eligible for insurance under the National Housing Act within
THIRTY (30) months from the date hereof (written statement of any offi-
cer of the Department of Housing and Urban Development or authorized agent of
the Secretary of Housing and Urban Development dated subsequent to

THIRTY (30) months time from the date of this Deed of
Trust, declining to insure said note and this Deed of Trust;

THE BENEFICIARY SHALL, WITH THE PRIOR APPROVAL OF THE FEDERAL HOUSING
COMMISSIONER, OR HIS DESIGNEE, DECLARE ALL SUMS SECURED BY THIS DEED
OF TRUST TO BE IMMEDIATELY DUE AND PAYABLE IN ALL OR A PART OF THE
PROPERTY IS SOLD OR OTHERWISE TRANSFERRED (OTHER THAN BY DEVISE,
DESCENT OR OPERATION OF LAW) BY THE GRANTOR, PURSUANT TO A CONTRACT
OF SALE EXECUTED NOT LATER THAN 12 MONTHS (24 MONTHS IF THE PROPERTY
IS NOT THE PRINCIPAL OR SECONDARY RESIDENCE OF THE GRANTOR) AFTER THE
DATE ON WHICH THE DEED OF TRUST IS EXECUTED (CLOSED), TO A PURCHASER
WHOSE CREDIT HAS NOT BEEN APPROVED IN ACCORDANCE WITH THE
REQUIREMENTS OF THE COMMISSIONER

the Department of Housing and Urban Development to insure this loan cease to be
in full force and effect for any reason whatsoever. Beneficiary may declare all sums
secured hereby immediately due and payable by delivery to Trustee of written decla-
ration of default and demand for sale, and of written notice of default and of elec-
tion to cause the property to be sold, which notice Trustee shall cause to be duly
filed for record. Beneficiary shall also deposit with Trustee this Deed of Trust, the
note and all documents evidencing expenditures secured hereby. Notwithstanding
the foregoing, this option may not be exercised by the Beneficiary when the ineli-
gibility for insurance under the National Housing Act is due to the Beneficiary's fail-
ure to remit the mortgage insurance premium to the Department of Housing and
Urban Development.

21. After the lapse of such time as may then be required by law following the
recording of said notice of default, and notice of sale having been given as then
required by law, Trustee, without demand on Grantor, shall sell said property at the
time and place fixed by it in said notice of sale, either as a whole or in separate
parcels, and in such order as it may determine (but subject to any statutory right of
Grantor to direct the order in which such property, if consisting of several known
lots or parcels, shall be sold), at public auction to the highest bidder for cash in
lawful money of the United States, payable at time of sale. Trustee may postpone
sale of all or any portion of said property by public announcement at such time and
place of sale, and from time to time thereafter may postpone the sale by public
announcement at the time fixed by the preceding postponement. Trustee shall de-
liver to the purchaser its Deed conveying the property so sold, but without any
covenant or warranty, express or implied. The recitals in this Deed of any matters or
facts shall be conclusive proof of the truthfulness thereof. Any person, including
Grantor, or Beneficiary, may purchase at the sale. After deducting all costs, fees,
and expenses of Trustee and of this trust, including cost of title evidence and reason-
able attorney's fees, in connection with sale, Trustee shall apply the proceeds of sale
to the payment of all sums expended under the terms hereof not then repaid, with
accrued interest at the rate provided on the principal debt; all other sums then
secured hereby; and the remainder, if any, to the person or persons legally entitled
thereof.

22. Beneficiary may, from time to time, as provided by statute, appoint an
other Trustee in place and instead of Trustee herein named; and thereupon the
Trustee herein named shall be discharged and Trustee so appointed shall be substi-
tuted as Trustee hereunder with the same effect as if originally named Trustee
herein.

23. This Deed of Trust shall inure to and bind the heirs, legatees, devisees,
administrators, executors, successors, and assigns of the parties hereto. All obliga-
tions of Grantor hereunder are joint and several. The term "Beneficiary" shall
mean the owner and holder, including pledges, of the note secured hereby,
whether or not named as Beneficiary herein.

24. Trustee accepts this Trust when this Deed of Trust, duly executed and
acknowledged, is made public record as provided by law. Trustee is not obligated to
notify any party thereto 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, un-
less brought by Trustee.

25. The term "Deed of Trust," as used herein, shall mean the same as, and be
synonymous with, the term "Trust Deed," as used in the laws of Oregon relating to
Deeds of Trust and Trust Deeds. Whenever used, the singular number shall include
the plural, the plural the singular, and the use of any gender shall be applicable to all
genders.

26. As used in this Deed of Trust and in the note, "attorney's fees" shall in-
clude attorney's fees, if any, which shall be awarded by an Appellate Court.

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00160127
1703

23243

RECITATION OF THE COURT'S ORDER
THOSE CREDIT HAS NOT BEEN RECALLED IN ACCORDANCE WITH THE
BY OF WHICH THE DEED OF 1981 IS EXECUTED (SIGNED) TO BY CHRYZEE
IN THE DEED OF RECORDING RESIDENCE OF THE SKYLINE VEEK THE

Suzanne L. Down
SUZANNE L. DOWN
DEED OF CREATION OF
RUTH PALMGREN
COMMISSIONER OF HIS DEED
THE BENEFICIAL SHUT WITH THE BELOW

State of Oregon
County of KLANATH

the undersigned, *William A. Down* hereby certify that on this day of
19 personally appeared before me, DOWN-PUTHOFF ENTERPRISES
JOINT VENTURE BY WILLIAM A. DOWN AND SUZANNE L. DOWN AND RUTH
PALMGREN F/K/A RUTH PUTHOFF and CARL T. PALMGREN

to me known to be the individual described in and who executed the within instrument, and acknowledged that signed
and sealed the same as THEIR free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.
My Commission expires

Request for Full Reconveyance
Do not record. To be used only when note has been paid.

To: Trustee:
The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note,
together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and
directed on payment to you any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned; and all
other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to
reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated 19
Mail reconveyance to
State of Oregon
County of

I hereby certify that this within Deed of Trust was filed in this office for Record on the day of
A.D. 19 at o'clock
of Record of Mortgages of

RETURN TO:
COMMONWEALTH MORTGAGE CO. OF
AMERICA, L.P.
2025 WEST LOOP SOUTH, STE 740
HOUSTON, TEXAS 77027

By
Deputy
Recorder

23244



CAL 375 (Rev. 8-82) Ack. Individual

Staple

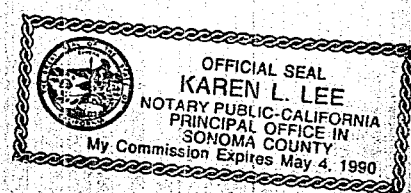
STATE OF CALIFORNIA
COUNTY OF SONOMA } SS.
On this the 29th day of November
Notary Public in and for said County and State, personally appeared
Ruth Palmgren F/K/A Ruth Pithuff
and Carl T. Palmgren

1989 before me the undersigned, a

to me or proved to me on the basis of satisfactory evidence to be the
persons whose names are subscribed to the within instrument
and acknowledged that they executed the same

Karen L. Lee
Signature of Notary

FOR NOTARY SEAL OR STAMP



STATE OF OREGON,

County of Klamath } SS.

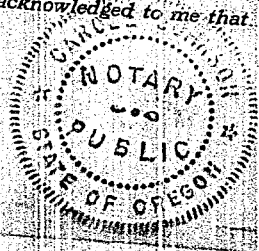
FORM NO. 23 - ACKNOWLEDGMENT
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

BE IT REMEMBERED, That on this 30th day of November, 19 89
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within
named William A. Down and Suzanne L. Down

known to me to be the identical individual(s) described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Carol E. Phelan
Notary Public for Oregon
My Commission expires 1-15-94



STATE OF OREGON: COUNTY OF KLAMATH:

Filed for record at request of Aspen Title & Escrow
of November A.D., 19 89 at 3:53 o'clock P M., and duly recorded in Vol. M89
of Mortgages on Page 23240

FEES \$28.00

By Bernetha B. Getch
County Clerk