

THIS TRUST DEED, made this 2nd day of SEPTEMBER19 88, between VICTOR G. PEREZ, JR. and T. N. PEREZ, AS TRUSTEES BY ENTIRETY as Grantor, ASPEN TITLE & ESCROW, INC., an Oregon Corporation as Trustee, and FN REALTY SERVICES, INC., a California Corporation, Trustee as Beneficiary.

WITNESSETH:

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

Lot 21 in Block 39 of Tract 1114, Oregon Shores Unit 2-1st Addition as shown on the map filed on November 8, 1978 in Volume 21, Page 29 of Maps in the office of the County Recorder of said County.

together with all and singular the tenements, hereditaments and appurtenances and all other rights therein belonging or in anywise now or hereafter appertaining, and 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 expressed therein, or hereon, shall become immediately due and payable.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of SIX HUNDRED FORTY Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable tobeneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable NOVEMBER 15, 1998

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 written contract or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity date expressed therein, or hereon, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

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 submit to the beneficiary a statement of compliance with 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 offices or recording 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 the beneficiary may from time to time require in an amount not less than the

beneficiary will be payable to the later, all policies of insurance shall be delivered to the beneficiary as soon as insured, if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any 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 hereby and in such order as may be determined, or at option of beneficiary the entire amount so collected, or any part thereof, may be retained to grantor. Such application or retention shall not cure or waive any default or notice of default hereunder or invalidate any action done pursuant to such notice.

5. To keep said premises free from contribution 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 premiums levied or other charges payable by grantor, either by direct payment or by providing or beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights or benefit from breach of any of the covenants hereof and for such payment, with interest as aforesaid, the property hereinafter described, as well as the grantor, shall be bound for the payment of the obligation hereby described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all 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 this obligation.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee, and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including reasonable attorney's fees and the beneficiary's or trustee's attorney's fees provided, however, in case the suit is between the grantor and the beneficiary or the trustee then the prevailing party shall be entitled to the attorney's fees herein described, the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court or by the appellate court if an appeal is taken.

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 or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the money payable in compensation for such taking, which are in excess of the amount required 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 any reasonable costs and expenses and attorney's fees; both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such compensation, primarily 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 recovery, 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 subdivision or other agreement affecting the deed or the lien in charge thereof; (d) receive, without warranty, all or any part of the proceeds legally entitled thereon; and the receipt of the trustee in any of the above shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the above mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time, with or without notice, for any sum payable for any such damage of the property or the proceeds legally entitled thereon, and the receipt of the trustee in any of the above shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the above mentioned in this paragraph shall be not less than \$5.

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 award payable for any such damage of the property and the application or release thereof at judgment, shall not cure or waive any default or notice of default hereunder or invalidate any action done pursuant to such notice. In his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby, immediately due and payable. In such an event and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose this trust deed in equity. As a mortgage, it is not to be foreclosed by a mortgagee or deed of trust in foreclosure, but if said real property is not so currently used, the beneficiary at his election may proceed to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the trust property to satisfy the obligations secured hereby. The trustee shall file the time and place of sale, give notice thereof at then required by law, and proceed to foreclose this trust deed in the manner provided in ORS 86A.740.

12. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person to privileged by ORS 86A.740 may pay to the beneficiary or his successors in interest, as specified, the entire amount then due under the terms of this trust deed and the obligation secured hereby, including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$500 each, either then or such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

13. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in full as required by law conveying the property to said purchaser without any covenant or warranty, express or implied. The validity in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

14. When trustee sells pursuant to the power 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 to 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 grantor or to his estate or interest entitled to such surplus.

15. For any reason permitted by law 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, and without conveyance to the appointee, 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, containing reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

16. Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law. Trustee shall be bound to execute and carry 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.

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 and unencumbered title thereto

NOTE: This 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 issue title to real property of this state, its subsidiaries, affiliates, agents or branches, or the United States or any agency thereof.

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

24448

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, household or agricultural purposes (see Important Notice below), (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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.

You have the option to cancel your contract or agreement of sale by notice to the seller until midnight of the seventh day following the signing of the contract or agreement.

If you did not receive a Property Report prepared pursuant to the rules and regulations of the Office of Interstate Land Sales Registration, U.S. Department of Housing and Urban Development, in advance of your signing the contract or agreement, this contract or agreement may be revoked at your option for two years from the date of signing.

* 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 or 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. If compliance with the Act not required, disregard this notice.

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

1015 93-1001

STATE OF GUAM

County of AGANA

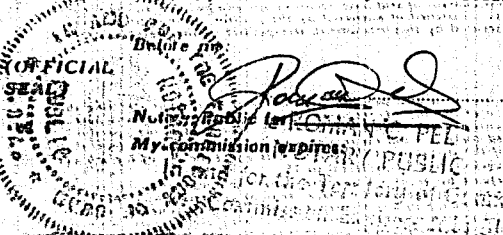
SEPTEMBER 2, 1988

Personally appeared the above named VICTOR

G. PEREZ AND ILANIM PEREZ

and acknowledged the foregoing instru-

ment to be their voluntary act and deed.



STATE OF _____, County of _____

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Personally appeared _____

each for himself and not one for the other, did say that the former is the president and that the latter is the secretary of _____

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for _____

My commission expires: _____

(OFFICIAL SEAL)

REQUEST FOR FULL RECONVOYANCE

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 evidence 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: _____, 1988

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.

Beneficiary

TRUST DEED

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 19th day of Dec. 1989

at 10:48 o'clock A.M., and recorded in book M89 on page 24447

or as file/reel number 9213

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn

County Clerk

Title

By _____, Deputy

Fee \$13.00

JO Realty Service
35 N Lake ave Sub 300
Pasadena ca 91101
attn: Deborah