

THIS TRUST DEED, made this 20th day of September, 1989, between JOSEPH E. BENAVENTE AND YVONNE C. BENAVENTE, HUSBAND AND WIFE, as joint tenants, by the entirety as Grantor, ASPEA TITLE & ESCROW, INC., an OREGON CORPORATION as Trustee, and FN REALTY SERVICES, INC., a CALIFORNIA CORPORATION, TRUSTEE as Beneficiary

WITNESSETH:

Grantor irrevocably grants, bargains, sell, and conveys to, trustee in trust, with power of sale, the property in CLATSOP COUNTY, OREGON, described as:

Lot 2 in Block 42 of Tract 184, 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 covenants, restrictions and appurtenances and all other rights thereto 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 sum of THIRTEEN THOUSAND THREE HUNDRED ONLY Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to Dec. 20th, 1999

beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not earlier paid, to be due and payable.

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 within described property, or any part thereof, or any interest therein is sold, conveyed or otherwise disposed of by the grantor without first having obtained the written consent 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 herein, 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, nor to commit or permit any waste or fraud thereon.

2. To complete any defective 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 is required to pay in executing such financing statement pursuant to the Uniform Commercial Code at the beneficiary's expense, 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, but in no event less than NONE.

5. To keep said premises free from construction liens, and to pay all taxes, assessments and other charges that may be levied on said property 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, insurance premiums, liens or other charges payable by grantor, either by direct payment or by 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 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 right arising hereunder 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 all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall at the option of the beneficiary, render all or is 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, defend any action or proceeding brought to effect 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 all costs of title 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 in the attorney's fees herein described; the sum of all attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the first 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 as 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 trust and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance, applied upon the indebtedness secured hereby; and grantor, at its own expense, to take such action and execute such instruments as shall be necessary to obtain 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 expenses of this deed and the note for endorsement (in case of full reconveyance, 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 therein; (c) join in any subdivision or other agreement affecting this deed or the land or thereon, (d) reconvey, without warranty, all or any part of the property. The grantor in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals in "if any notice is to be given" 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 default by grantor hereunder, beneficiary may at any time with or without regard to the adequacy of any security for the indebtedness hereby secured enter upon and take possession of and property or any part thereof, in its own name and in otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees subject to paragraph 7 hereof, upon any indebtedness secured hereby, 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 policy or compensation or awards for any taking or damage of the property, and the application or release thereof at aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any action pursuant to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby, in its performance of any agreement hereunder, the beneficiary may declare the debt 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 in the manner provided by law for mortgage foreclosures. However, if said real property is not currently used, the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed 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 said described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale, give notice thereof if then required by law, and proceed to foreclose this trust deed in the manner provided in ORS 8A, 740 to 8A, 795.

13. 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 or persons privileged by ORS 8A 740, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation, including attorney's fees not exceeding \$50 each) either more than 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.

14. 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 and properly either in one parcel or in separate parcels and shall sell the parcel or parcels of auction to the highest bidder, for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property to said, but without any covenant or warranty, express or implied. The recitals 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.

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'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 deed at their interests may appear in the order of their priority; and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. 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 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, 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.

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 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, unencumbered titled thereto

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, or the United States or any agency thereof.

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

24875

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.

TERRITORY OF GUAM

88

CITY OF AGANA

On Sept 28 1989 before me, the undersigned, a Notary Public in and for the Territory of Guam, personally appeared Joseph E. Arnold known to me to be the person whose name is subscribed to the within instrument as a witness thereto, and being by me duly sworn, deposed and said that She resides at 9 Benjamin St. 50-111 DAVAL STA. GUAM that she was present and saw JOSEPH E. ARNOLD personally known to her to be the person described in, and whose name is subscribed to the within and annexed instrument, execute the same, and that affiant subscribed her name thereto as a witness to said execution.

Signature:

FOR NOTARY SEAL OR STAMP

ROMAN C. PEC
NOTARY PUBLIC

In and for the Territory of Guam U.S.A.
My Commission Expires: July 31, 1993

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, full reconveyance and documents to

DATED: 19

Beneficiary

TRUST DEED

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 26th day of December, 19 89, at 3:51 o'clock P.M., and recorded in book M89 on page 24874, or as file/free number 9456.

Record of Mortgages of said County.
Witness my hand and seal of County of Klamath.

AFTER RECORDING RETURN TO

IN Realty Services
35 North Lake ave
Pasadena, Calif 91101
attn: Deborah

Evelyn Biehn, County Clerk

By Bernetha Shetch Deputy

Fee \$13.00