DANIEL H. BAILEY as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY

HENRY O. HOWARD & VINCENE L. HOWARD, husband and wife or survivor as Beneficiary,

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WITNESSETH:

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

Lot 6, Block 65, KLAMATH FALLS FOREST ESTATES, HIGHWAY 66 UNIT, PLAT NO. 3, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Tax Account No. 3811-380-200

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto 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

SIX THOUSAND FIVE HUNDRED AND NO/100sum of (6,500.00)-

not sooner paid, to be due and payable ______per_terms_of_note _____, 19.______,

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.

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 of destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions altecting said property; il the beneficiary so requests, to join in executing such financing 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 filing officers or searching agencies as may be deemed desirable by the beneficiary.

cial Code as the beneliciary 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 officers or searching agencies as may be deemed desirable by the beneliciary. For provide and continuously maintain insurance on the buildings of the other hazards as the beneliciary may from time to time require, in amount not less than \$\frac{1}{2}\text{N}\$. A provide and continuously maintain insurance on the buildings of the other hazards as the beneliciary may from time to time require, in amount not less than \$\frac{1}{2}\text{N}\$. A provide acceptable to the beneliciary may from time to time require, in one of the continuously maintain insurance on the latter; all policies of insurance shall be delivered to the beneliciary as soon as insured; if the grantor shall fall for any reason to procure any such insurance and to deliver said policies to the beneliciary at least filteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneliciary may procure the same at grantor's expense. The amount collected under any line or other insurance policy may be applied amount circumpart upon any indebtedness secured hereby and in such order to a policies of beneliciary the entire and to pay all the collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

To keep said premise free from construction lens and to pay all taxes, assessments and other darges that may be levied or assessed upon or taxes, assessments and other darges that may be levied or assessed upon or taxes, assessments and other darges become past of the grantor fail to make payment of any taxes, assessments, insurance or hypotent, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured make such assessment shall othe

It is mutually agreed that:

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8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, benelciary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's lees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneliciary and applied by it lirst upon any reasonable costs and expenses and attorney's beneficiary in such proceedings, and the balance applied upon the proceedings, and the balance applied upon the proceedings, and the balance applied upon the indebtedness and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's require upon written request of beneficiary, and the such actions of the second of

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey without warranty, all or any part of the property. The france in any reconvey without warranty, all or any part of the property. The france in any reconvey and the recitals therein of any matters or facts shall be constituted from the property of the truthulness 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 a court, and without regard to the adequacy of any security property or any part thereof, in its own name sue or otherwise collect the rens, 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 upon any indebtedness secured hereby, 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 tire 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.

pursuant to such notice.

12. Upon default 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 declare all sums secured hereby immediately due and payable. In such an event the beneliciary 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, or may direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to no pursue any other right remedy, either at law or in equity, which the beneliciary may have the latter event the beneliciary or the trustee shall execute and cause to be bed raided his written notice of default and his election to sell the said described property to satisfy the obligation secured hereby whereupon the trustee shall lix the time and place of sale, give notice thereof as then required up law and proceed to foreclose this trust deed in the manner provided in ORS 85.735 to 86.795.

proceed to loreclose this trust deed in the manner provided in OSS 85.73 and 86.795.

3. Alter the trustee has commenced loreclosure 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 OSS 86.753, may cure the default or defaults. It the default consists of a failure to pay, when due, sums 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 not then be due had no default occurred. Any other default that is capable on the the default may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default of defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed 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 of the trust deed by law.

together with trustees and attorney's fees 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 law. The trustee may sell said property either in one pareel or in separate pareels and shall sell the pareel or pareels are 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 including the recitals in the deed of any matters of lact shall be conclusive proof of the truthfulness thereol. 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 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 appeas in the order of their prictity and (4) the surplus.

16. Beneliciary may from time to time appoint a successor or successor to any trustee anner the surplus and the surplus and trustee anner the surplus and the surplus and trustee anner the surplus and the surplus the surplus and the surplus and

surplus, if any, to the grantor or to his successor in interest chilled 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 here under. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conterred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by heneliciary, which, when recorded in the mortfage records of the county or counties in which, when recorded in the mortfage records of the county or counties in 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 it 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.

NOTE. The Trust Deed Act provides that the trustee hereunder must be either an atterney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to insure title to real or savings and loan association 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.

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),

(S) TOCHOROGO (CONTROL OF CONTROL OF 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 personal representatives, successors and assigns. The term beneficiary shall mean the holder and whenever the context so requires, the masculine 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 teminine and the neuter, and the singular number includes the plyral. IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written. Daniel H. Bailey by Neal G. Buchanan as * 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. / Attorney in fact (If the signer of the above is a corporation, use the form of acknowledgement opposite.) STATE OF OREGON, STATE OF OREGON, County of County of Klamath This instrument was acknowledged before me on . This instrument was acknowledged before me on -1-(6.1990, by Neal G. Buchanan as Attorney in fact for Daniel H. Bailey (SEAL) Notary Public for Oregon Pamelaypenson My commission expires: PAMELA J. SPENCER NOTARY PUBLIC-OREGON (SE My Commission Expires 8/16/92 REQUEST FOR FULL RECONVEYANCE be used only when obligations have been paid. 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 trust deed may e been tuny paid and shristied. 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: ... Beneticiary of 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. 0 STATE OF OREGON, 3:13 County of Klamath Asset in the artists of the first of the fir TRUST DEED I certify that the within instrument ใจรูฐกราช 11 **สามา**สาร was received for record on the 19th day (FORM No. 881-1) of ______,1990_, at 2:07 o'clock P.M., and recorded Daniel H. Bailey grafie in the contract of PO Box 313 in book/reel/volume No. M90 on North Highlands, CA 95660 page 7300 or as fee/file/instru-ment/microfilm/reception No. 13771, SPACE RESERVED ivaetinasaan<mark>eerite</mark>a Grantos RECORDER'S USE

AFTER RECORDING RETURN TO

Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk NAME By Daules Mulindere Deputy

Fee \$13.00

MOUNTAIN TITLE COMPANY