

Vol. m90 Page. **9202**

14854

as Beneficiary.

WITNESSETH:

Lots 1, 2, 3, 4, 5, 6 and 9 in Block 3 of Tract 1172 Shield Crest, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Together with an undivided interest in all those private roads shown on the plat and more particularly described in Declaration recorded in Volume M84, page 4256, records of Klamath County, Oregon.

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 sum of ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100*****

sum of ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO/100
 ***** (\$150,000.00) 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 May 15, 2002, on which the final installment of said 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. In the event 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 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 dates expressed therein, or herein, shall become immediately due and payable.

To protect the security of this trust deed, grantor agrees:

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 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.

4. To provide and continuously maintain insurance on the building now or hereafter erected on the said premises against loss or damage by fire and such other causes as the beneficiary may from time to time require, in an amount not less than \$ _____, written in _____ companies acceptable to the beneficiary, with loss payable to the latter, all policies of insurance shall be delivered to the beneficiary as soon as the _____ if the grantor shall fail, or any remedy to the beneficiary such insurance and to deliver said policy 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 to the payment of the indebtedness of the beneficiary. The beneficiary upon any indebtedness secured hereby and the sum of the _____ may determine, or at option of the beneficiary, the entire amount so collected, or any part thereof, to 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.

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 premises, the grantor hereby agrees that any part of such taxes, assessments and other charges shall 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 the grantor, the beneficiary may, at its option, make payment thereof by direct payment on behalf of the grantor, and the grantor shall reimburse the beneficiary for 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 any further assignment of rights arising from breach of any of the covenants hereunder, and for such payments, with interest as aforesaid, the property of the grantor hereunder described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation hereinbefore described, and all such payments shall be immediately due and payable upon notice, and the nonpayment thereof shall constitute a breach of the trust deed, and the nonpayment thereof shall be immediately due and payable and shall 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.

7. To appear in and defend any action or proceeding purporting to affect the title or interests 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 evidence of title and attorney's fees; the attorney's fees, the costs and expenses mentioned in this paragraph 7 in all cases shall be paid by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay the costs and expenses of the appeal that shall be adjudged reasonable as the beneficiary's or trustee's attorney shall deem proper.

It is mutually agreed that:

3. In the event that any portion or all of said property shall be taken under the right of eminent domain, beneficiary shall have the right 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 fees necessarily incurred by grantor in such proceedings, be paid to beneficiary and applied to the payment of 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, and shall be necessary to obtaining such compensation, to execute and deliver such instruments as may be required, 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, appoint in person, by agent or by a receiver to be appointed by the court, persons to take possession of the property and the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due, and may cause to be sold the property and the indebtedness hereby secured, including reasonable attorney's fees and costs of sale, and may cause to be sold the property and 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.

[illegible][illegible]

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 parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder or bidders. The trustee shall execute the deed to the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall constitute evidence of the truthfulness thereof. Any person who purchases the trust, but including any person who purchases the property, shall be deemed to purchase the same for the benefit of the beneficiaries.

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 fee by trustee's attorney, (2) to the obligations secured by a recorded mortgage by trustee's attorney, (3) to the obligations secured by the trust deed, (3) to all persons having recorded claims against the trust property 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. 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 the beneficiary, which, when filed in the mortgage 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 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 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, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

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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) for the personal, family, or household use of the beneficiary, or (b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inure 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.

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

X Dale C. Cheyne
DALE C. CHEYNE
X Patricia R. Cheyne
PATRICIA R. CHEYNE

STATE OF CALIFORNIA } ss.
COUNTY OF San Diego

On this 11th day of May, in the year 1990, before me, the undersigned, a Notary Public in and for said County and State, personally appeared

****Patricia R. Cheyne*** and
Dale C. Cheyne***

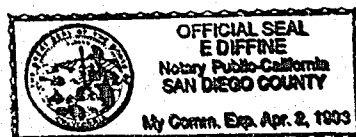
personally known to me (or proved to me on the basis of satisfactory evidence) to be the person (s) whose name (s) subscribed to the within instrument and acknowledged that they executed the same.

Signature

E. Diffine

E. Diffine

Name (Typed or Printed)
Notary Public in and for said County and State



F2492 R 6/84

FOR NOTARY SEAL OR STAMP

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. 881)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Forest Products C/U
PO Box 1179
Klamath Falls OR 97601

SPACE RESERVED

FOR

RECORDER'S USE

Fee \$13.00

STATE OF OREGON, } ss.
County of Klamath

I certify that the within instrument was received for record on the 15th day of May, 1990, at 9:16 o'clock A.M., and recorded in book/reel/volume No. M90 on page 9202 or as fee/title/instrument/microfilm/reception No. 14854 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Pauline M. Mulenda Deputy