

TRUST DEED

Vol mgd Page 15924

H.F. SMITH and RAMONA I. SMITH, husband and wife

as Beneficiary,
WITNESSETH:

233 3 Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, and
in Klamath County, Oregon, described as:

Lots 7 and 8 in Block 37 of SECOND ADDITION TO THE CITY OF KLAMATH FALLS,
according to the official plat thereof on file in the office of the County Clerk
of Klamath County, Oregon

Tax Account No: 3809 029AC 13200

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 THREE THOUSAND FIVE HUNDRED AND NO/100 Dollars, with interest thereon according to the terms of a promissory

sum of THREE THOUSAND FIVE HUNDRED 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 \$3,500.00 is paid to be due and payable August 8, 1991 (one year from closing) in the date stated above, on which the final installment of said note shall stand to be paid.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the initial debt 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:

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; it, 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 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.

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 said policy may provide from time to time require, in an amount not less than the full replacement value of the buildings, written in company with a duly licensed insurance company, and the proceeds of such insurance shall be delivered to the beneficiary as soon as insured, and if the grantor shall fail or any reason to fail to maintain such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy, the beneficiary shall be authorized to cause to be procured the same under any fire or other insurance policy may procure the same at grantor's expense. The beneficiary may procure the same at grantor's expense, if the beneficiary shall be authorized to cause to be procured under any fire or other insurance policy may procure the same at grantor's expense. The beneficiary may determine, or at option of the beneficiary the entire amount so collected, or may determine, or at option of the beneficiary the entire amount so collected, or not part thereof, may be released to grantor. Such application or release shall not be valid until the beneficiary has been notified in writing of the same, and done pursuant to such notice.

[illegible]

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.

[illegible]

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 monies 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 incurred by grantor in such proceedings, shall be paid to beneficiary and shall be 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 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 of 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

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; (e) grant in any reconveyance may be described as the "persons" or persons granted the interest therein, and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the items mentioned in this paragraph shall be not less than \$5.

[illegible]

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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may exercise with respect to such payment and/or performance, the beneficiary may demand that all sums secured hereby immediately due and payable, in such an event 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 by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary shall cause to be recorded his written notice of election to foreclose by advertisement and sale, and the trustee shall cause to be recorded his written notice of election to foreclose by advertisement and sale, and the trustee shall sell the said described real property at the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced the cure by advertisement and sale, and at any time prior to 5 months after the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, whether the default or defaults of the trust deed, the default may be cured by paying the sums secured by the trust deed at the time of the cure other than the portion as would have been paid at the time of the cure. If the default consists of a failure to perform then be cured may be cured by performing the performance required under the obligation or performance. In any case, in addition to curing the default, the grantor or person so privileged by ORS 86.753, shall be liable for the costs, obligation or performance incurred in enforcing the obligation of the trust deed defaults, the performance incurred in enforcing the obligation of the trust deed and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided for in the trust deed.

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 same parcels at auction to the highest bidder for cash, in the form as required by law conveying said delivery to the purchaser without any covenant or warranty, express or implied, and without any condition, but without any conclusive proof of the truthfulness thereof. Any person selling for the trustee, but including himself, shall sign the certificate of sale.

[illegible]

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 or any 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 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.

