

THIS TRUST DEED, made this 12th day of October, 1990, between JOHN E. DAVIS and ANNE K. DAVIS, husband and wife

as Grantor, Mountain Title Company of Klamath County, as Trustee, and WESLEY E. IVIE and BARBARA J. IVIE, husband and wife

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

Lot 13, 14 and 15 in Block 5 of SHIPPINGTON 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 01903 01400

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 TWENTY-TWO THOUSAND FIVE HUNDRED AND NO/100 (\$22,500.00) 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 as per terms of 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: 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 thereof, 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 file 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 third officers or searching 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 3 times the insurable value 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 issued; 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 in force on said buildings, the beneficiary may procure the same at its expense. The amount collected under such fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not constitute any default or notice of default by grantor or invalidate any lien thereon 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 property before any part of said taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, rent 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 of both 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 arising from breach of any of the covenants herein and without any action or proceedings at law or in equity, the property hereunder shall be sold and the proceeds thereof shall be applied to the payment of the debt secured hereby and all such payments shall be immediately due and payable without notice and the performance thereof shall be the priority of the beneficiary, and all such amounts shall be due and payable and the beneficiary shall have a lien thereon for the trust deed secured hereby and the cost of this deed, and all 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.

6. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary as trustee; and in any suit, action or proceeding in which the beneficiary is or may be a party, including any suit or action to foreclose the debt, to pay all costs and expenses, including the reasonable cost of sale and the beneficiary's or trustee's attorney's fees, the amount of attorney's fees incurred in this paragraph 6 in all cases shall be paid by the trustee and in the event of an appeal from any judgment or decree of the trial court, the trustee shall be bound to pay such sums as the appellate court may award as reasonable on the basis of the trustee's attorney's fees in the trial court.

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 is found, in equity that all or any portion of the money payable on condemnation for such taking, which is 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 retained by it until such time as the beneficiary may desire to use the same, and in the event of any such proceedings, the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such condemnation, 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 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 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 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, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for 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 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 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 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 for 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 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.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 3 days before 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, when due, the amount due by the trust deed, the default may be cured by paying the sum secured by the trust deed. If the default consists of a failure to pay, when due, the amount due by the trust deed, the default may be cured by paying the sum secured by the trust deed. If the default consists of a failure to pay, when due, the amount due by the trust deed, the default may be cured by paying the sum secured by 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 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 form as required by law conveying the property so sold, 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 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 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 upon any trustee herein named or appointed hereunder, shall be evidenced by a written instrument executed by beneficiary, and substitution shall be made by written instrument executed by beneficiary, which, when recorded 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 in the office of the County Clerk of Klamath County, Oregon, and the 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 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 696.595.

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. EXCEPT city lien in favor of the City of Klamath Falls, docketed on August 2, 1982 in card No. 64, Imp. Unit #294. The above Grantors hereby agree to assume and pay this lien in full and to hold the Sellers harmless therefrom. and that he will warrant and forever defend the same against all persons whomsoever.

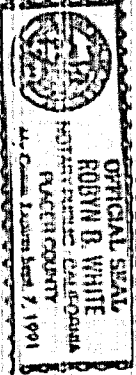
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:  
(a) primarily for grantor's personal, family or household purposes (see Important Notice below).  
(b) ~~for the purchase of real property or for the improvement of real property~~

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.

IMPORTANT NOTICE: Delivery, by signing out, with warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor in such event as defined in the Truth-in-Lending Act and Regulation Z, the lender MUST comply with the Act and Regulation by making required disclosures. For this purpose use SF Form No. 1010, or equivalent. If in compliance with the Act is not required, disregard this notice.

*[Signature]*  
John E. Davis  
*[Signature]*  
Anne K. Davis



STATE OF ~~California~~ <sup>OREGON</sup>, County of Placer, ss. October 16, 1990,

This instrument was acknowledged before me on October 16, 1990, by John E. Davis and Anne K. Davis

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_

at \_\_\_\_\_

of \_\_\_\_\_

*[Signature]*  
Robin B. White  
Notary Public for Oregon  
My commission expires Sept 7, 1991

#### REQUEST FOR FULL RECONVAYANCE

To be used only when obligations have been paid.

TO: Mountain Title Company of Klamath County, 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. (With reconveyance and documents to \_\_\_\_\_)

DATED: \_\_\_\_\_, 19\_\_\_\_.

Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Each must be delivered to the trustee for cancellation before reconveyance will be made.

### TRUST DEED

(FORM No. 101)

STEVENS AND LAW PUBL. CO., PORTLAND, ORE.

John E. & Anne K. Davis  
6599 Greenleaf Ln.  
Forest Hill, CA 95631

Grantor

Wesley E. & Barbara J. Wie  
2138 W. 10th  
Klamath Falls, OR 97603

Beneficiary

AFTER RECORDING RETURN TO:  
Mountain Title Company  
222 S. Sixth St.  
Klamath Falls, OR 97601

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON, } ss.  
County of Klamath

I certify that the within instrument was received for record on the 19th day of Oct., 1990, at 3:52 o'clock P.M., and recorded in book/reel/volume No. M90 on page 21127 or as fee/tile/instrument/microfilm/reception No. 21658. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Pauline Mueller, Deputy

Fee \$13.00