

THIS TRUST DEED, made this 24th day of January, 1991, between  
WILLIAM R. MC NEARY and KELLY J. MC NEARY, husband and wife

L. A. SWETLAND  
as Beneficiary,

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:

THIS TRUST DEED IS AN ALL INCLUSIVE TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, AS BENEFICIARY.

**SPECIAL TERMS:** Grantors shall apply for refinancing annually on February 1, 1992, and proof thereof to the Beneficiary.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of THIRTY THOUSAND NINE HUNDRED SIX DOLLARS AND 75/100 Dollars, with interest thereon according to the terms of a promissory

note of even date herewith, payable to beneficiary of said note, 19....., per terms of Note....., 19....., not sooner 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, 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.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed, when due all costs incurred therefor.

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed 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 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.

[illegible]

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 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 for beneficiary, with funds with which to make such payment, beneficiary, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured by this deed, shall be a debt of said grantor to said beneficiary, and of this hereby, together with all 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 trust deed, and for such payments, with interest thereon, shall be bound to the beneficiary hereunder described, as well as the grantment 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 sums secured by this trust deed immediately due and payable and

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 or seek to affect the rights or powers of beneficiary or trustee; and in any such action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of a mortgage, to pay all costs and expenses, in any action for the enforcement of the beneficiary's or trustee's attorney's fees; the costs of attorney's fees mentioned in this paragraph in all cases shall be determined by the trial court, and in the event of an appeal, by the judgment of the trial court, and the parties shall agree to pay such sum as the appellate court shall deem reasonable as the beneficiary's or trustee's appellate costs on any such appeal.

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 as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessary and incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs all be paid to beneficiary and incurred by it in the trial and appellate courts, and the balance applied upon the indebtedness of beneficiary in such proceedings, and 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 compensation, promptly upon beneficiary's request, and to execute such instruments, promptly, upon beneficiary's request, within ten (10) days upon written request of beneficiary.

9. At any time and from time to time upon written request or for the benefit of the 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 trustee 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 foregoing shall be as set forth in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, cause the property herein secured, or any part thereof, to be sold or otherwise disposed of, and take possession of said property, rents, issues or any part thereof, in its own name sue or otherwise, and apply the same to the payment of the principal and interest on the debt, and the attorney's fees and costs and expenses of the operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as the 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 saleable at the time of sale. Trustee at auction to the highest bidder for cash, in form as required by law conveying the property to the purchaser with or 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 powers provided herein, trustee

15. When the grantor sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, in- cluding 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, the trustee or trustees hereby named or appointed hereunder, the trustee or trustees, up to and including the trustee herein named or appointed hereunder, 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.

which the property is situated, shall be deemed to be the act 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 said action 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 696.585.

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 except Trust Deed recorded January 26, 1991, in Volume M91, page 1694 in Microfilm Records of Klamath County, Oregon, in favor of Klamath First Federal Savings & Loan Association, as Beneficiary 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: (b) for an organization, or (even if grantor is a natural person) are for business or commercial 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.

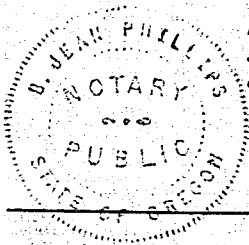
IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

\* 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.

William R. McNeary  
WILLIAM R. MC NEARY

Kelly J. McNeary  
KELLY J. MC NEARY

STATE OF OREGON, County of Klamath ) ss.  
This instrument was acknowledged before me on January 25, 1991,  
by WILLIAM R. MC NEARY and KELLY J. MC NEARY  
This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,  
by \_\_\_\_\_  
as \_\_\_\_\_  
of \_\_\_\_\_



B. Jean Phillips  
Notary Public for Oregon  
My commission expires 3-2-92

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. Mail reconveyance and documents to \_\_\_\_\_

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.

William R. & Kelly J. McNeary  
506 N. 8th St.  
Klamath Falls, OR 97601

Grantor

L. A. Swetland

Beneficiary

AFTER RECORDING RETURN TO  
MOUNTAIN TITLE COMPANY OF  
KLAMATH COUNTY

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON, ) ss.  
County of \_\_\_\_\_  
I certify that the within instrument  
was received for record on the \_\_\_\_\_ day  
of \_\_\_\_\_, 19\_\_\_\_,  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M., and recorded  
in book/reel/volume No. \_\_\_\_\_ on  
page \_\_\_\_\_ or as fee/tile/instru-  
ment/microfilm/reception No. \_\_\_\_\_,  
Record of Mortgages of said County.  
Witness my hand and seal of  
County affixed.

NAME TITLE  
By \_\_\_\_\_ Deputy