

TRUST DEED

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25982

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as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY
Timothy A. Friend

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 6 in Block 1 of BRYANT TRACTS NO. 2, according to the official plat thereof on file in the office of the County Clerk 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 grant

sum of TWENTY THOUSAND NINE HUNDRED AND NO/100
 (\$20,900.00) _____ 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 per terms of the note, 19____, at which time and place the final installment of said note

not sooner paid, to be due and payable per terms of the 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. 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; 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 of such financing statements with 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 buildings now or hereafter situated on the said premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in an amount not less than \$ full insurable value, written in companies acceptable to the beneficiary, with loss payable to the latter; policies of insurance shall be delivered to the beneficiary as insured; if the grantor shall fail for any reason or reasons to cause to be insured, the beneficiary shall be entitled at least fifteen days prior to the expiration of the policy of insurance now or hereafter placed on said buildings, to cause the beneficiary to procure the same at grantor's expense. The amount of the insurance shall be paid to the beneficiary as the beneficiary may collect under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such amount as the beneficiary may determine, or at option of beneficiary, in such amount so collected, or any part thereof, may be paid to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any other provision hereof or hereafter made or to be made by the parties to the foregoing 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, the grantor shall, at the option of the grantor, pay the same to the beneficiary; should the grantor fail to make payment of any taxes, assessments, premiums, liens or other charges on the premises, the beneficiary, by direct payment or otherwise, may, at its option, make payment thereof, make such payment on behalf of the beneficiary, and the amount so paid, with interest at the rate set forth in the note secured by the deed, shall be added to and become a part of the debt secured by this trust deed, 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 the grantor's rights arising from breach of any of this trust deed, without waiver of the beneficiary's rights arising from breach of any of this trust deed, for such payments, with interest as aforesaid, the property hereinafter described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligations described, and all such payments shall be made to the beneficiary and payable with interest, and all such payments shall be made to the beneficiary, and the beneficiary, thereunder, shall, at the option of the beneficiary, retain and secure the same by this trust deed immediately due and payable and 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 said rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit, action or proceeding for the foreclosure of this deed, to pay all costs and expenses, including attorney's fees; the said beneficiary or trustee, including evidence of title and any other matters mentioned in this paragraph 7 in all cases shall be bound 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 such sums as the appellate court shall find to be just and reasonable as the beneficiary's or trustee's attorney's fees and costs.

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 necessarily paid or incurred in such proceedings, shall be paid to beneficiary and be distributed 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 benefits herein 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.

9. At any time and from time to time upon written request of beneficiary, any or all 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 thereof; (d) reconvey, without warranty, all or any part of the property. The grantees 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.

[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.

[illegible]

13. After the trustee has commenced foreclosure 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 entitled to be privileged by ORS 86.735, may cure the default or default of the trust. 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 of the amount due by the trust deed, plus the amount of interest that is capable of being earned on the amount due by the trust deed, plus the amount of the cost of the entire amount due at the time of the cure other than such portion of the amount due as may be cured by tendering the sum of the amount due by the trust deed or obligation or trust deed. If the amount of the sum of the amount due by the trust deed or obligation or trust deed, plus the amount of interest that is capable of being earned on the amount due by the trust deed, plus the amount of the cost of the entire amount due at the time of 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 fees not exceeding the amounts provided by law.

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 parcel or in separate parcels and shall sell the parcels at public auction to the highest bidder. The trustee shall execute the deed of sale. Trustee shall execute the deed of sale in the name of the trust and in the name of 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 evidence of the truthfulness thereof. Any purchaser who purchases from the trustee, but including the trustee, shall pay 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 to the trust for the attorney, (2) to the obligation secured by the trust deed to all persons having recorded liens subsequent to the date of the trustee in the trust deed as their interest 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, in the following order of priority: GRANTOR, SUCCESSOR OF GRANTOR.

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 recorded by beneficiary, which, when 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 a 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 in 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 none

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 other purposes, to wit: ~~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.

Ruby R. Parsons Trustee
Ruby R. Parsons, Trustee

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on February 15, 1991,

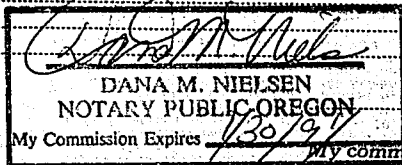
by Ruby R. Parsons

This instrument was acknowledged before me on _____, 19____,

by _____

as _____

of _____



Notary Public for Oregon

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

THIS TRUST DEED (FORM No. 1081) OF THE CO. OF STEVENS-NESS, LAW, PUBL. CO., PORTLAND, ORE.

Ruby R. Parsons
3645 Laverne
Klamath Falls, OR 97603

Grantor

Timothy A. Friend/o Lowell Friend
3950 Rio Vista
Klamath Falls, OR 97603

Beneficiary

AFTER RECORDING, RETURN TO
Mountain Title Company
(coll. escrow dept.)

STATE OF OREGON, County of Klamath) ss.

I certify that the within instrument was received for record on the 15th day of February, 1991, at 4:39 o'clock P.M., and recorded in book/reel/volume No. M91 on page 2922 or as fee/file/instrument/microfilm/reception No. 25982, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

EVELYN BIEHN, County Clerk

By Bonetha A. Ketsch, Deputy