

**ALL INCLUSIVE
TRUST DEED**

Vol. ma Page 15305

SURVIVORSHIP

as Beneficiary,

WITNESSETH:

in **KLAMATH**

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO A FIRST MORTGAGE IN FAVOR OF ODVA, AS MORTGAGEE.

tion with said real estate.

sum of TWENTY NINE THOUSAND NINE HUNDRED THIRTY EIGHT AND 12/100***** 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

PER TERMS OF NOTE 19

not sooner paid, to be due and payable ... on which the final installment of said note

... at the date secured by this instrument is the date, stated above, on which the interest therein is sold, agreed to be

The date of maturity of the debt secured hereby shall be deemed to be the date when the property, or any part thereof, or any interest therein, becomes due and payable. In the event the within described property, or any part thereof, or any interest therein, is 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 proper 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 the Uniform Commercial Code as the beneficiary may require and to pay for filing same in 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, defend, hold, pay, repair, replace, and keep in good order, condition and repair, now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiaries may from time to time require, in an amount not less than \$ **FULL INSURABLE VALUE**, written in

[illegible]

5. To keep said premises free and clear of all taxes, assessments and other charges that may be levied or assessed upon or against said property and to pay any part of such taxes, assessments and other charges as they become due or delinquent and promptly deliver receipts thereof to the beneficiary; should the grantor fail to make payment of any such taxes, assessments, insurance premiums, liens or other charges levied or assessed upon or against said property, the beneficiary, at its option, make payment thereof by direct payment or by providing, in any other manner, with funds with which to make such payment, benefitting itself, its heirs, assigns and its estate, and 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, shall be secured by this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights against the grantor in breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, and all the interest thereon, shall be bound to the same extent that they are bound for the payment of the obligation hereinbefore described, and all the payments shall be immediately due and payable upon notice, and in the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust, 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 fees actually incurred.

[illegible][illegible]

9. At any time and from time to time, the undersigned, as trustee, shall have the right to execute and deliver, without the necessity of any further 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) joint or charge 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, or by a receiver to be appointed 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, the lender may enter upon and take possession of said property or any part thereof, and in its own name sue or otherwise collect the debts, issues and claims, including those past due and unpaid, and apply the same to the payment of the principal and interest on the indebtedness hereby secured, and the costs and expenses of operation and collection, including reasonable attorneys' fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the premises by the mortgagee, or 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]

in the manner herein provided. After the trustee has commenced foreclosure proceedings, the trustee conducts the sale, and at any time prior to 5 days before the date of the sale, the trustee may, at its option, accept or reject any bid, in whole or in part, by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, any installment of principal or interest, the sums secured by the trust shall be paid to the trustee, and the entire amount due at the time of the cure other than such portion as would have been applied to the payment of the debt if no default had occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting 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.

14. Otherwise, the trustee shall sell the property 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 public auction to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed in form as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matter not in the instrument so conveyed shall be conclusively true. The trustee, but not including the purchaser at the sale, shall be bound by the terms of the instrument so conveyed.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of the trustee and a reasonable charge by trustee including the compensation of the trustee by the trust deed. (3) to all persons having a recorded lien subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) to 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 or designate as his or her successor trustee appointed hereunder any trustee named herein or, and without conveyance to the successor trustee, 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 a written instrument executed by the 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 the same is acknowledged is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending sale under any other deed 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 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) xxx
(b) for an organization, or (c) if grantor is a natural person, are for business or commercial purposes.

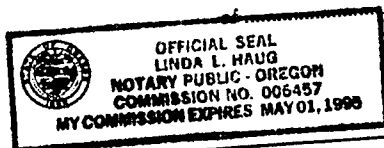
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or 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.

George Nile Brown
GEORGE NILE BROWN
Susan Q. Brown
SUSAN Q. BROWN
Sammi L. Hilsabeck
SAMMI L. HELSABECK

STATE OF OREGON, County of Klamath) ss.
This instrument was acknowledged before me on August 2, 1991,
by George Nile Brown, Susan Q. Brown, and Sammi L. Hilsabeck, 1991,
This instrument was acknowledged before me on _____,
by _____,
as _____



Linda L. Haug
Notary Public for Oregon
My commission expires 5-1-95

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.

George Brown
Susan Brown
Sammi Hilsabeck
Grantor
Wilfred Mattas
Dotie Mattas
Beneficiary

AFTER RECORDING RETURN TO

Mountain Title
Collection Person

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/file/instru-
ment/microfilm/reception No. _____,
Record of Mortgages of said County.
Witness my hand and seal of
County affixed.

NAME _____ TITLE _____
By _____ Deputy

EXHIBIT A

This Trust Deed is an All Inclusive Trust Deed and is second and subordinate to the Mortgage now of record which was recorded on June 20, 1979 in Volume 1079 Page 14589 Microfilm Records of Klamath County, Oregon, in favor of ODVA Mortgagee which secures the payment of a Note therein mentioned.

The Beneficiary, named herein, agrees to pay, when due, all payments due upon the said Promissory Note recorded in favor of ODVA and will save the Grantors herein harmless therefrom.

Should the said Beneficiary herein default in making any payments due upon said prior Note and Mortgage, Grantor herein may make said delinquent payments and any sums so /paid by the Grantor herein shall then be credited upon the sums next to become due upon the Note secured by this Trust Deed

The Balance of this note must always match with the balance of the underlying loan with ODVA. The underlying loans interest rate is an adjustable rate. Therefore it shall be the responsibility of the Seller to contact Mountain Title Company in writing of any change in interest rate and any change in the monthly payment amount.

Buyer's payment does include 1/12th of the real property taxes. Each year the Seller shall pay the real property taxes, beginning with the 91-92 fiscal year, and said real property taxes shall be added back to the balance of this note secured by an All Inclusive Trust Deed. Mountain Title Company shall be notified in writing by all parties if an adjustment is necessary in the payment amount due to increase or decrease in taxes.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 5th day
of Aug. A.D., 19 91 at 3:34 o'clock P M., and duly recorded in Vol. M91
of Mortgages on Page 15305

Evelyn Biehn County Clerk

By Raune Mulender

FEE \$18.00