

Vol. m91 Page 18771

T.J.S. TRUST

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:

Lots 21, 26 and 27 in block 2 of Tract 1145, a Resubdivision of portions of Nob Hill, Irvington Heights, Mountain View Addition and Eldorado Heights, according to the official plat thereof of 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 grantor herein contained and payment of the sum of **ONE HUNDRED THOUSAND DOLLARS AND NO/100** (\$100,000.00) Dollars, with interest thereon according to the terms of a promissory note made by [Name] to [Name], dated [Date], and interest hereof.

sum of ONE HUNDRED THOUSAND (\$100,000.00) Dollars, with interest thereon according to the terms of a promissory
 ***** (\$100,000.00) 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 September 17, 2001 on which the final installment of said note
 is due, and the date secured by this instrument is the date, stated above, on which the final installment of said note
 is due.

not sooner paid, to be due and payable September 17, 1991.

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; and 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 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.

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 said Beneficiary may from time to time require, in an amount not less than the full insurance value of the buildings, written in a policy or policies acceptable to the Beneficiary, with loss payable to the Beneficiary. The policies of insurance shall be delivered to the Beneficiary. If the grantor insured: (a) such insurance and to the Beneficiary; (b) if the grantor shall fail for any reason to deliver said policies to the Beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the Beneficiary may procure the same at grantor's expense. The Beneficiary shall be entitled to collect the proceeds of any such policy by Beneficiary upon any indebtedness secured by the Beneficiary the entire amount so collected, or may determine, or at the option of the Beneficiary, the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not be made, or waived, or released to grantor. Such application or release shall not be made, or waived, or released to grantor. Such application or release shall not be made, or waived, or released to grantor. Such application or release shall not be done 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 such taxes, assessments or other charges become past due or delinquent and promptly discharge all such obligations to beneficiary; should the grantor fail to make any of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by making beneficiary with funds with which to by direct payment or by making beneficiary at its option make payment thereof, make such payment, beneficiary may, at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7, add to the debt secured by this trust deed, without waiver of any rights arising from the debt secured by this trust deed, without waiver of any rights arising from the debt secured by this trust deed, the amount of such taxes, assessments, insurance premiums, liens or other charges, and the grantor, shall be bound to the extent that they are bound for the payment of the obligation herein described, and 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 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 security 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 for the foreclosure of the deed, to pay all costs and expenses, including evidence of trial costs and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed 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 sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

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 so elected, to sue for and recover any or any portion of the monies payable, or to sue for and recover any or any portion of the amount required to pay all reasonable costs, expenses and attorney's fees, necessarily paid or incurred by grantor in such proceedings, and to be paid to beneficiary and incurred by grantor in such proceedings, reasonable costs and expenses and attorney's fees, applied by it first upon such reasonable costs and expenses and attorney's fees, and then to the balance of the monies payable, as necessary, to take such actions in such proceedings, and the balance applied to the monies payable, as necessary, to take such actions, secured hereby; and grantor agrees, and its heirs, assigns and legal representatives shall be bound to execute such instrument, 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 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 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 foregoing shall be paid by the grantor and shall not be less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by attorney, at the option of beneficiary, cause a receiver to be appointed by a court, and cause the receiver to take possession of said property, and cause the receiver to sell, lease, convey or otherwise dispose of said property or any part thereof, in its own name as receiver, for the payment of the debts and liabilities of said partnership and for the payment of the same, issues and profits, including those past due and including those not yet due, and for the payment of the same, less costs and expenses of collection and collection, including reasonable attorney's fees and disbursements 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, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may cause the trustee to foreclose this trust deed in equity as a mortgage 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 execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the date 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 86.734 to 86.795.

13. After the trustee has commenced an action to enforce the disclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any 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 of the amount due by the trust deed, plus the amount of the interest which would not then be due had no default occurred. In 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 such case, in addition to curing the default or defaults, the grantor or any person so privileged by ORS 86.753, shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation or the trust deed together with trustee's and attorney's fees not exceeding the amounts provided 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 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 in advance, and shall execute the deed of conveyance to the purchaser as required by law conveying said property to the purchaser without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusively presumed to be true and correct and shall constitute part of the deed, but including the truthfulness thereof. Any person, except the trustee, at the sale.

15. When the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trust attorneys, (2) to the obligation secured by the trust deed, (3) to persons having recorded liens subsequent to the order 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

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 named trustee shall conveyance to the successor trustee, the trust and with all title, powers and duties conferred upon the trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument, executed by the beneficiary, and such instrument, when recorded in the records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged, 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, executor 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 676.505 to 676.520.

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

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 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.

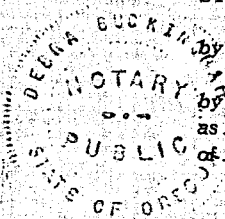
* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Thomas J. Shaw - Trustee
T.J.S. TRUST

STATE OF OREGON, County of Klamath ss.

This instrument was acknowledged before me on September 17, 1991,
by Thomas J. Shaw

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



Debra Buckingham
Notary Public for Oregon
My commission expires 12-19-92

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.

Grantor

SPACE RESERVED
FOR
RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO

KCTC

STATE OF OREGON, }
County of Klamath } ss.

I certify that the within instrument was received for record on the 18th day of Sept., 1991, at 9:53 o'clock A. M., and recorded in book/reel/volume No. M91 on page 18771 or as fee/file/instrument/microfilm/reception No. 34712, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Pauline M. Mendenhall, Deputy

Fee \$13.00