

TRUST DEED

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THIS TRUST DEED, made this 24th day of September, 1991, between  
TOM W. DAIN and DARLENE K. DAIN, 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 8 in Block 3 of TRACT 1052 of CRESCENT PINES /according to the official plat  
of the County Clerk of Klamath County, Oregon. thereof on file in the office

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 TWELVE THOUSAND FIVE HUNDRED AND NO/100 \_\_\_\_\_

sum of TWELVE THOUSAND FIVE HUNDRED AND NO/100  
(\$12,500.00) 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, 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.

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, and pay when due all costs incurred therefor.

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 perils as the said beneficiary may from time to time require, in an amount not less than \$ N/A , 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 and if the grantor shall fail for any reason to deliver said policies of 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 placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such amount so collected, or may determine, or at option of beneficiary, in such amount so collected, or any part thereof, may be paid to the beneficiary grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any other provisions of this note.

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 beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, 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 set forth 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 hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the mortgage hereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and all 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.

lees actually incurred, 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 for the foreclosure of this deed, the beneficiary or trustee's expenses, including evidence, the trial court'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 rendered by the trial court, grantor further agrees to such sum as the appellate court may judge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

*It is mutually agreed that:*

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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, in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by it first upon any reasonable costs and expenses and attorney's fees, applied by the trial and appellate courts, necessarily paid or incurred by 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.

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 (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 grantor, 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 items 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, enter upon and take possession of any security loaned to or by grantor, whether secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, interest and profits, including those past due and unpaid, and apply the same to the payment of the principal and interest on the loan and any 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, time being of the essence with respect to such payment or performance, the beneficiary may declare all said indebtedness immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other legal remedy, either at law or in equity, which the beneficiary may desire. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or his assigns shall cause to be recorded his written notice of default in the public office of the County Clerk of the County of Los Angeles, and his election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of such sale thereof as then required by law and proceed to foreclose this trust deed.

notice thereof as then required by ORS 86.735 to 86.795. In the manner provided in ORS 86.735, the trustee may cure the default.

15. 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 so privileged by ORS 86.735, may cure the default or defaults. If the default consists of a failure to pay, when due, the sums secured by the trust, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would be due had no default 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 reimburse the beneficiary all costs and expenses actually incurred in performing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided for by ORS 86.735.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in whole or in part, or in separate parcels and shall sell the parcel or parcels at the highest bid or bids and shall accept the highest bid or bids received at auction to the highest bidder for cash, payable at the time required by law conveying said deliver to the purchaser 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 person desiring to purchase the same, but including the trustee, shall purchase at the sale.

15. When Trustor 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 and claims against 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 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 premises are situated, shall be conclusive proof of proper appointment.

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 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.

