

TRUST DEED

Vol. m91 Page 20699

35611

as Grantor, ASPEN TITLE & ESCROW, INC.

as Grantor, ASPEN TITLE & ESCROW, INC., as Trustee, and
RANDY R. SCOTT AND SUSAN J. SCOTT, husband and wife with full rights of
survivorship.

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:

N 1/2 SW 1/4 of Sections 32, Township 35South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon

Code 8, Map 3510, Tax Lot 2600 OUI and OU2

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS BEING RECORDED JUNIOR AND SUBORDINATE TO A FIRST TRUST DEED RECORDED OCTOBER 2, 1990, in Book M-90, page 19997. SEE ALL-INCLUSIVE CLAUSE ATTACHED HERETO AND MARKED EXHIBIT "A" AND BY THIS REFERENCE MADE A PART HEREOF AS THOUGH FULLY SET FORTH HEREIN.....

MADE A PART HEREOF AS THOUGH FULLY SET FORTH HEREIN. . . . 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 Twenty Three Thousand Two Hundred and NO/100 Dollars with interest thereon according to the terms of a promissory

sum of Twenty three thousand 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 so paid to be due and payable at maturity of Note, 1919, on which the final installment of said note

note of even date herewith, payable to _____ at maturity 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.

To protect the security of this trust deed, grantor agrees:

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 same; to make 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.

beneficiary. 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 beneficiary may from time to time require, in an amount not less than \$ _____ written in _____, all companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such 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 to pay any indebtedness secured hereby and in such order as the beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act 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 to pay all receipts therefor to beneficiary; should the grantor fail to make such payments of any taxes, assessments, insurance premiums, liens or charges payable by grantor, either by direct payment or by check, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note, shall be added together with the obligations described in paragraph 4 of this trust deed, together with the obligations described in paragraph 3 of this trust deed, shall be added to and become a part of the principal debt secured by this trust deed, without waiver of any rights or remedies arising from breach of any of the covenants hereof and for such payment with interest as aforesaid, the proponents herebefore described, as well as the grantor, shall be bound to the same extent as 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 nonpayment thereof shall, at the option of the beneficiary, render all sums secured 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.

in connection with or in enforcing this deed, and the beneficiary's 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 this deed, to pay all costs and expenses, including evidence of title 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 court and in the event of an appeal from any judgment rendered by 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:

[illegible]

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 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 mentioned 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 a duly authorized receiver to be appointed by a court of competent jurisdiction, or by a duly authorized receiver to be appointed by a court of competent jurisdiction, enter upon and take possession of said property or any part thereof, in its own name use or otherwise collect, receive, dispose of, and otherwise dispose of the same, and apply the same, issues and profits, including those past due or otherwise collectible, to the payment of the 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.

12. Upon the performance of any agreement hereunder, time being of this hereby or in respect to such payment and/or performance, the beneficiary may exercise with respect to such payment and/or performance, as follows:

(a) In such an event all sums secured hereby immediately due and payable by the trustee to the beneficiary at his election may proceed to foreclosure of 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 right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to proceed by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of election to sell the said described real property to satisfy the obligation 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 sale. Give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 and 86.795.

notice thereof as then required by ORS 86.735 to 86.795. In the manner provided by ORS 86.735 to 86.795, 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 may cure the default by ORS 86.753, may cure the default or default(s), or the cure consists of a failure to pay, when due, the amount due at the time of the cure other than such principal and interest as then be due had no default occurred. Any other performance required under the being cured may be cured by tendering the amount in addition to curing the default or obligation or trust deed. In any event, 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 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, payable at the time of sale. Trustee auction to the highest bidder its deed in form as required by law conveying the property so sold, but without any covenant or warranty. This shall be conclusive proof of the truthfulness of the foregoing statement of title. No person, excluding the grantor and beneficiary, may purchase at the sale. If no purchaser is provided herein, trustee

of the truthfulness thereof. Any purchase at the sale
of the grantor and beneficiary, may make such purchase at the sale.
§ 5. When trustee 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 the mortgage by trustee's
attorney, (2) to the obligation secured by a trust deed, (3) to all persons
having recorded liens against or claims against the interest of the trustee in the trust
and (4) to their heirs, assigns and legal representatives; if there shall remain,
after satisfaction of the above, any sum of money which may appear in the order of their poverty and (4) the
surplus, it any, to the grantor or to his successor in interest entitled to such
surplus.

IN WITNESS WHEREOF I have hereunto set my hand and seal this _____ day of _____ A.D. 19____

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, without conveyance to the successor trustee, the trust shall be vested with all title, powers and duties contingent upon the trustee herein named or appointed hereunder. Power to appoint 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. . . . When this deed, duly executed and

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 and after deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be or of any action or proceeding in which grantor is brought by trustee.

(f) consent to the making of any map or plat of said property; (g) join in

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

and that he will warrant and forever defend the same against all persons whomsoever.

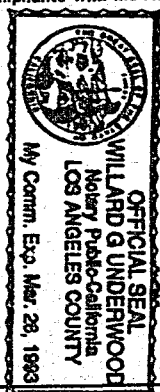
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a)* primarily for grantor's personal, family or household purposes (see Important Notice below).
(b) for an organization, or (even if grantor is a natural person) are for business or commercial 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.

X Robert Davis Underwood



CALIFORNIA
STATE OF OREGON, County of LOS ANGELES ss. 1st, 1991
by ROBERT DAVIS UNDERWOOD
This instrument was acknowledged before me on OCT
This instrument was acknowledged before me on _____, 19____,
by _____
as _____
of _____

Willard G. Underwood
Notary Public for Oregon
My commission expires MARCH 26, 1993

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

ATC
320

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/instrument/microfilm/reception No. _____. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

NAME _____ TITLE _____
By _____ Deputy



20761

525 Main Street
Klamath Falls, Oregon 97601
(503) 884-5137

EXHIBIT "A" TO TRUST DEED

THIS TRUST DEED IS AN ALL-INCLUSIVE TRUST DEED AND IS JUNIOR AND SUBORDINATE TO A TRUST DEED RECORDED IN BOOK M-90 AT PAGE 19997 IN FAVOR OF NEAL G. BUCHANAN, SUCCESSOR TRUSTEE FOR FLORENCE MC KEE AND THOMAS F. DELLA-ROSE, SUCCESSOR TRUSTEE FOR PHOEBE CHAVEZ, AS BENEFICIARY/MORTGAGEE, WHICH SECURES THE PAYMENT OF A NOTE THEREIN MENTIONED. RANDY J. SCOTT AND SUSAN J. SCOTT, THE BENEFICIARY(IES) HEREIN, AGREE TO PAY, WHEN DUE, ALL PAYMENTS DUE UPON THE SAID NOTE IN FAVOR OF NEAL G. BUCHANAN, SUCCESSOR TRUSTEE FOR FLORENCE MC KEE AND THOMAS F. DELLA-ROSE, SUCCESSOR TRUSTEE FOR PHOEBE CHAVEZ, AND WILL SAVE GRANTOR(S) HEREIN, ROBERT DAVIS UNDERWOOD, HARMLESS THEREFROM. SHOULD THE SAID BENEFICIARY(IES) HEREIN DEFAULT IN MAKING THE PAYMENTS DUE UPON SAID PRIOR NOTE AND TRUST DEED, GRANTOR(S) HEREIN MAY MAKE SAID DELINQUENT PAYMENTS AND ANY SUMS SO PAID BY GRANTOR(S) HEREIN SHALL THEN BE CREDITED UPON THE SUMS NEXT TO BECOME DUE UPON THE NOTE WHICH IS SECURED BY THIS ALL-INCLUSIVE TRUST DEED.

RRS. (INITIALS OF BENEFICIARY(IES))
XRU (INITIALS OF GRANTOR(S))

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 4th day
of October A.D., 19 91 at 3:17 o'clock P. M., and duly recorded in Vol. M91
of Mortgages on Page 20699.

Evelyn Biehn, County Clerk

FEE \$18.00

By Dorlene Millard