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| THIS TRUST DEED, made this11day of | October | 19 91 , between |
|--|-----------------|-------------------|
| LEE R. SUKRAW and GUY GALLETTI, with the rights of S | survivorsnip | |
| as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY LESLIE E. NORTHCUTT & NORMA V. NORTHCUTT or the st | urvivor thereof | , as Trustee, and |
| Paraffering at the state of the | | |

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in KLAMATH County, Oregon, described as:

SEE EXHIBIT A WHICH IS MADE A PART HEREOF BY THIS REFERENCE

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 section of the THE PURPOSE OF SECURING PERFORMANCE OF SECURING PERFORMANCE OF SECURING PERFORMANCE OF SECURING PROPERTY OF THE PURPOSE OF SECURING PERFORMANCE OF SECURING PROPERTY OF THE PURPOSE OF SECURING PERFORMANCE PERFORMA

note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereoi, if

not sooner paid, to be due and payable October 07 19 2001

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 thereot, 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 terminal payable.

sold, conveyed, assigned or alienated by the grantor without first then, at the beneficiary's option, all obligations secured by this instruction, at the beneficiary's option, all obligations secured by this instruction, and the 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 mystement which may be constructed, damaged or destroyed. To comply any when due all costs incurred therefor.

2. To complete mystement which may be constructed, damaged or destroyed. To comply waste of said property; if the beneficiary so requests, to join in executing such linancing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for lifting same in the proper public office or offices, as well as the cost of all lien searches made by fling officers or searching agencies as may be deemed desirable by fire now or hereafter erected on the said premises against loss or damage by fire and such other has than \$. NOT applicable..., written in an amount caceptable to the beneficiary, with loss payable to the latter; all conficies of insurance shall be delivered to the beneficiary with loss payable to the latter; all conficies of insurance shall be delivered to the beneficiary with loss payable to the latter; all conficies of insurance shall be delivered to the beneficiary of the delivers and policies to the beneficiary and least filteen days prior to the deliver said policies to the beneficiary and least filteen days prior to the advicer said policies to the beneficiary and least filteen days prior to the deliver said policies to the beneficiary and least filteen days prior to the deliver said policies to the beneficiary and the said property of the said property and the delivered to the beneficiary of the property of the payment, with the object of the property of the property of t

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 eniment 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 by grantor in such proceedings, shall be paid to beneficiary or applied by it first upon any resonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by the proceedings, and the balance applied upon the indetections 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 including 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 allecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or person 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, beneficiary may at any time without notice, either in person, by agent of by a receiver to be appointed by a court, and without refard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including 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 time and other

liciary may determine.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of tire 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.

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 heneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed event the beneficiary at his election may proceed to foreclose this trust deed by a sum or season of the such and selection the sum of the event the sum of the sum of

defaults, the person effecting the cure shall pay to the beneficiary all conand expenses actually incurred in enforcing the obligation of the trust deed
together with trustees and attorney's fees not exceeding the amounts provided
by law. 14. Otherwise, the sale shall be held on the da'e aref 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 entry
in one parcel or in separate parcels ared shall seil the parcel or all. Trustee
auction to the highest bidder for cash, payable at the time data. Trustee
shall deliver to the purchaser its deed in form as required by law conveying
the property so sold, but without any covenant or warming the conveying
the freezials in the deed of any matters of fact but including
the trustee thereof. Any person, excluding the trustee, but including
the grantor and beneficiary, may purchase at the sales provided herein, trustee
shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trusted by the trust deed, (3) to all persons
having recorded liens subsequent or to the instead of the trust deed, (3) to all persons
having recorded liens subsequent or to the instead of the trust deed of their interests may appear in the order of their previty and (4) the
surplus, if any, to the granter or to his successor in successor or successor.

surplus, it any, to the granter or to his successor in interest entitled to such surplus.

16. Beneliciary may from time to time appoint a successor to only trustee named herein or to any successor trustee appointed hereinder. Upon such appointent, and without conveyance to the successor trustee, the latter shall be vested with all title, power and duties content of upon any trustee herein named or appointed hereinder. Each such appointment and substitution shall be made by written instrument secured by beneliciary which, when recorded in the mortigage resouds of the county or counties in which the property is situated, shall be conclusive pixel of priper 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 trust or of any action or proceeding in which granter, 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 sovings and loan association authorized to do business under the laws of Oregon or the United States, a little 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 estrow agent licensed under ORS 625.505 to 626.505.

| | | | | | | er-i and | those claiming | under him, tha | t he is i | aw- |
|------|-----------|--------------|-----------------|----------------|-------------|----------------|----------------|-----------------------------------|-----------|-----|
| | | | ovenants and a | grees to and | with the be | enericiary and | unencumbered | under him, tha I title thereto | .1 | |
| | The | grantoi co | note of said de | scribed real p | roperty and | nas a vanu, | • | | | |
| full | ly seized | d in fee sir | tipic or | | | | | | | |

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 it 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 pledges, of the contract personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledges, of the contract personal representatives, successors and assigns. The term beneficiary shall mean the holder and whenever the context so requires, the masculine 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 terminine 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. LEE R. SUKRAW GUY SALLETTI Hillette STATE OF OREGON, County of Klam This instrument was acknowledged before me on . EE R. SUKRAW LEE R. SUKRAW This instrument was acknowledged before me on GUY CALLETTE Kristia STATE OF OREGON, County of Klamath BE IT REMEMBERED, That on this 17 day of October before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Guy Galletti known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written. de of Hang OFFICIAL SEAL UNDA L. HAUG NOTARY PUBLIC - OREGON COMMISSION NO. 006457 MMISSION EXPIRES MAYO1, 1995 My Commission expires 5-1-7

| MY COMMISSION EXPIRES MAY 01, 1995 | | STATE OF OREGON, | ss. |
|--|--|--|-------------|
| TRUST DEED (FORM No. 881) STEVENS-NESS! LAW PUB. CO., PORTLAND, ORE. | el e de la Arrie de la Carle d | County of | day |
| LEE R. SUKRAW and GUY GALLETT 1881 LOWER KLAMATH LAKE ROAD KLAMATH FALLS, OR 97603 | SPACE RESERVED | in book/reel/volume No | ile/instru- |
| LESLIE E. NORTHCUTT and NORMA 1930 ROUND LAKE ROAD KLAMATH FALLS, OR 97601 Beneficiary | V. NORTHCUTTOR RECORDER'S USE | ment/microfilm/reception Nonecord of Mortgages of said Witness my hand a County affixed. | County. |
| MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY | | NAME By | Deputy |
| 36316 | A Section 1 | | |

MTC NO: 26266-KR

EXHIBIT A LEGAL DESCRIPTION

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A tract of land situated in Government Lot 3 of Section 27, Township 40 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, described as follows:

Beginning at the Southeast corner of said Government Lot 3; thence North along the East line of Government Lot 3 to the Northeast corner thereof; thence West along the North line of Government Lot 3, 998 feet, more or less, to an existing fence on the right bank of an irrigation ditch as now constructed; thence Southeasterly following said fence and ditch to a point on the South line of Government Lot 3, said point being 147 feet West of the point of beginning; thence East along the South line of Government Lot 3 to the point of beginning.

EXCEPTING THEREFROM that portion lying within Lower Lake Road.

| STATE OF OREGON: COUNTY OF KLAMATH: ST | the 18th dzy |
|---|----------------------------|
| Filed for record at request of at9: of of Mortgag | or Page 21802 County Clerk |
| FEE \$18.00 | By Danker Mullinder |