

94-00100-101356

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

Lots 7A and 7B, Block 5, RAILROAD ADDITION TO THE CITY OF
KLAMATH FALLS, in the County of Klamath, State of Oregon

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Thirteen thousand two hundred twenty three and 58/100 Dollars, with interest thereon according to the terms of a promissory note of principal and interest hereof, if

note of even date herewith, payable to beneficiary or order of beneficiary on or before October 26, 2001, on which the final installment of said note 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.

1. To repair, to remove or demolish any building or improvement thereon and repair, to remove or demolish any waste of said property.
2. To complete or restore improvements which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, rules, orders, decrees, conditions and restrictions affecting said property.
4. To execute all financial statements pursuant to the Uniform Commercial Code as the beneficiaries may require and to pay for filing same in the proper public offices, as well as the cost of all lien searches made by said officers or searching agencies as may be deemed desirable by the beneficiary.
5. To continuously maintain insurance on the buildings

any cure or waive any default or notice of default until the date of the cure or waiver.

5. To keep the premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon the premises, the grantor shall promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payment of any taxes, assessments or other charges payable by grantor, the beneficiary shall have the right to make such payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at the rate set forth in the note secured by this deed, advance to the grantor the amount of such taxes, assessments and the amount so paid, with the obligations described in paragraphs 6 and 7 of this deed, shall be added to and become a part of the debt secured by this trust deed, and, without waiver of any rights arising hereunder, the property covenants hereof and for such payments made by the grantor, shall be bound to the beneficiary hereinafter described.

6. To pay the obligations secured by this deed, the grantor shall be bound to the payment of the obligations secured by this deed, and such payments shall be immediately due and payable with interest thereon, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed, and the grantor shall be bound to render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

7. To pay the fees and expenses of this trust including the cost of title search as well as the other costs and expenses of the trustee and attorney in connection with or in enforcing this obligation and trustee's and attorney's actually incurred.

It is mutually agreed that:

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

[illegible]

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 cause all sums secured hereby immediately to proceed to foreclose this trust deed in favor of the beneficiary at his election. The trustee to foreclose this trust deed in equity as a mortgage, or may direct the trustee to pursue any other right or advertisement whether at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement, the trustee shall execute and cause to be recorded his written notice of sale and the trustee shall execute and cause to be recorded his written notice of sale, give notice thereof whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law, and cause the same to be sold and the proceeds thereof as then required by law to be paid to the beneficiary.

13. After the trustee has complied with the requirements of ORS 86.735 to 86.755, the trustee shall be entitled to a discharge in full of the obligations of the trust. The trustee shall be entitled to a discharge in full of the obligations of the trust if the trustee has complied with the requirements of ORS 86.735 to 86.755 and the trustee has complied with the requirements of ORS 86.735 to 86.755 and the trustee has complied with the requirements of ORS 86.735 to 86.755.

15. When trustee sells pursuant to the power provided herein, trustee shall apply the proceeds of sale in the following order: (1) the expenses of sale, including the commissions of the trustee and a reasonable charge by trustee for its services; (2) the obligation secured by the trust deed; (3) the trustee in the trust having recorded liens subsequent to the date of the sale of the trust property in the order of their priority; and (4) the balance of the proceeds of sale to the grantor or to his successor in interest entitled to such surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

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.

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.

STATE OF OREGON, County of Klamath) ss.

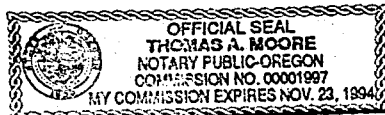
This instrument was acknowledged before me on 10/31, 1991,
by RAYMOND H. CANNON

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

by _____

as _____

of _____



Thomas A. Moore
Notary Public for Oregon
My commission expires 11/23/94

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. 681)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Raymond H. Cannon

Grantor

Motor Investment Co.

Beneficiary

AFTER RECORDING RETURN TO

Motor Investment Co.
PO Box 309
Klamath Falls, OR 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,) ss.
County of Klamath

I certify that the within instrument was received for record on the 31st day of Oct., 1991, at 3:56 o'clock P.M., and recorded in book/reel/volume No. N91 on page 22880 or as fee/file/instrument/microfilm/reception No. 36812 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Blehn, County Clerk.
NAME TITLE

By Pauline Mulholland Deputy

Fee \$13.00