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37181

TRUST DEED

Vol. ma Page 23562

THIS TRUST DEED, made this 20th day of June, 1991, between
 THOMAS A. AYRES

as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as Trustee, and
R. H. OTTEMAN, M.D., P.C., PENSION AND PROFIT SHARING 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:

Parcel A of Minor Land Partition No. 80-96 more particularly
 described on Exhibit "A" attached hereto and incorporated by
 this reference herein as if fully set forth.

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 Ten 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 sooner paid, to be due and payable August 1, 1996

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 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 beneficiary may from time to time require, in
 an amount not less than \$ not applicable, 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 insured;
 if the grantor shall fail for any reason to procure any such insurance and to
 deliver said policy 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 beneficiary
 upon any indebtedness secured hereby and in such order as 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 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, liens 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 and all such payments shall be immediately due and payable with-
 out 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.

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, in-
 cluding 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 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 ap-
 pellate court shall adjudge reasonable as the beneficiary's or trustee's attor-
 ney's fees on such appeal.

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 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 and
 applied by it first upon any reasonable costs and expenses and attorney's fees,
 both in the trial and appellate courts, necessarily paid or incurred by bene-
 ficiary 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 com-
 pensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of bene-
 ficiary, 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
 thereof; (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
 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 or by a receiver to be ap-
 pointed by a court, and without regard to the adequacy of any security for
 the indebtedness hereby secured, enter upon and take possession of said prop-
 erty 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 attor-
 ney's fees upon any indebtedness secured hereby, and in such order as bene-
 ficiary 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 its 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 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 or
 the trustee 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 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 to 86.795.

13. 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 86.753, may cure
 the default or defaults. If the default consists of a failure to pay, when due,
 sums secured by the trust deed, the default may be cured by paying the
 entire amount due at the time of the cure other than such portion as would
 not then 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 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 shall sell the parcel or parcels at
 the highest bidder for cash, payable at the time of sale. Trustee
 shall deliver to the purchaser its deed in form as required by law conveying
 the property so sold, but without any covenant or warranty, express or im-
 plied. The recitals in the deed of any matters of fact shall be conclusive proof
 of the truthfulness thereof. Any person, excluding the trustee, but including
 the grantor and beneficiary, may purchase at the sale.

15. 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 a reasonable charge by trustee's
 attorney (2) the obligation secured by the trust deed, (3) to all persons
 having recorded liens subsequent to 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 suc-
 cessors to any trustee named herein or to any successor trustee appointed here-
 under. 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 a 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.

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 676.505 to 676.585.

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C.R.
18.00

Jack C. Prock
Jack C. Prock

Diane Bryan
Diane Bryan

STATE OF OREGON } ss. Mar 1, 1979
County of KLAMATH }

Personally appeared L. A. SWETLAND, Trustee under the L. A. SWETLAND, M.D., P.C., PENSION AND PROFIT SHARING TRUST, known to me to be the identical person who executed the foregoing deed, and acknowledged said instrument to be his voluntary act and deed.

Before me:

[Signature]
NOTARY PUBLIC FOR OREGON
My commission expires 8-5-79

STATE OF OREGON } ss. February 12, 1979
County of KLAMATH }

Personally appeared R. H. OTTEMAN, Trustee under the R. H. OTTEMAN, M.D., P.C., PENSION AND PROFIT SHARING TRUST, known to me to be the identical person who executed the foregoing deed, and acknowledged said instrument to be his voluntary act and deed.

Before me:

[Signature]
NOTARY PUBLIC FOR OREGON
My commission expires 7-19-82

STATE OF OREGON } ss. Mar 1, 1979
County of KLAMATH }

Personally appeared HARRY R. WAGGONER and JEWELL HUSTON, who, being first duly sworn, did say that they are the President and Secretary, respectively, of ORE-CAL GENERAL WHOLESALE, INC., an Oregon corporation, and that the foregoing deed was signed in behalf of said corporation by authority of its board of directors; and they acknowledged said instrument to be its voluntary act and deed.

Before me:

[Signature]
NOTARY PUBLIC FOR OREGON
My commission expires 8-5-79

STATE OF OREGON } ss. Mar 1, 1979
County of KLAMATH }

Personally appeared the above-named JACK C. PROCK and DIANE BRYAN, formerly DIANE PROCK, and acknowledged the foregoing deed to be their voluntary act and deed.

Before me:

After Recording Return To
Neal G Buchanan 601 Main #215 KF. [Signature]
NOTARY PUBLIC FOR OREGON
My commission expires 8-5-79

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Neal G. Buchanan the 8th day of Nov. A.D., 19 91 at 4:15 o'clock P M., and duly recorded in Vol. M91 of Deeds on Page 23558.

FEE \$43.00

Evelyn Biehn . County Clerk

By [Signature]

(6) Easement, including the terms and provisions thereof, by and between Harry R. Waggoner and Norma E. Waggoner, husband and wife, and Jack C. Prock and Diane Prock, husband and wife, dated April 22, 1966, recorded May 2, 1966, in Volume M-66, Page 3896, Deed Records of Klamath County, Oregon, for well purposes. (7) Easement, including the terms and provisions thereof, by and between Harry R. Waggoner and Norma E. Waggoner, husband and wife, and Jack C. Prock and Diane Prock, husband and wife, dated April 22, 1966, recorded May 2, 1966, in Volume M-66, Page 3901, Deed Records of Klamath County, Oregon. (8) Road easements as disclosed in Memorandum of Agreement dated October 17, 1978, recorded October 18, 1978, in Volume M-78, Page 23313, Deed Records of Klamath County, Oregon.

TO HAVE AND TO HOLD the same unto grantee, his heirs, successors and assigns forever.

Grantors hereby covenant to and with said grantee, his heirs, successors and assigns, that grantors are lawfully seized in fee simple of the above-described premises, free from all encumbrances, except as stated above, and that grantors will warrant and forever defend said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above-described encumbrances.

The true and actual consideration paid for this transfer, stated in terms of dollars, is \$60,000.00.

IN WITNESS WHEREOF, the individual grantors have executed this instrument and the corporate grantor has caused its name to be signed by its officers, duly authorized thereto by order of its board of directors, this 1 day of March, 1979.

Mail tax statements to

Tom Ayres

324 North Third St

K. Falls, Or

L. A. SWETLAND, M.D., P.C.,
PENSION AND PROFIT SHARING TRUST

By [Signature]

R. H. OTTEMAN, M.D., P.C.,
PENSION AND PROFIT SHARING TRUST

By [Signature]

ORE-CAL GENERAL WHOLESALE, INC.

By [Signature]
President

By [Signature]
Secretary

GRANTORS, for themselves, their personal representatives, successors and assigns, reserve the following rights of way and easements across and upon the above-described real property, to-wit: 60 feet lying 30 feet on either side of the following-described centerline: Beginning at a point on the easterly right of way line of State Highway 39, said point being S. $00^{\circ}01'10''$ W. 2162.47 feet and S. $89^{\circ}51'42''$ E. 25.31 feet of the Northwest corner of Section 18, Township 39 S., R. 10 E.W.M.; thence continuing S. $89^{\circ}51'42''$ E. 599.83 feet; thence N. $00^{\circ}02'42''$ W. 439.32 feet to the true point of beginning; thence S. $89^{\circ}59'04''$ E. 132.38 feet; thence on the arc of a curve to the right (radius = 250.00 feet, central angle = $47^{\circ}03'50''$) 205.35 feet; thence S. $42^{\circ}55'14''$ E. 81.00 feet; thence on the arc of a curve to the left (radius = 175.06 feet, central angle = $71^{\circ}03'30''$) 217.11 feet; thence N. $66^{\circ}01'16''$ E. 144.49 feet; thence on the arc of a curve to the left (radius = 370.00 feet, central angle = $69^{\circ}18'42''$) 447.60 feet; thence N. $03^{\circ}17'26''$ W. 157.53 feet to the North line of the SE $\frac{1}{4}$ NW $\frac{1}{4}$, said Section 18.

A strip of land situated in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 18, Township 39 S., R. 10 E.W.M., said strip of land being 50 feet in width, measured 25 feet each side of and at right angles to the following-described centerline: Beginning at a 5/8 inch iron pin on the East right of wayline of State Highway No. 39 (Klamath Falls-Merrill Highway), said point located South a distance of 1326.66 feet and East a distance of 29.61 feet from the bolt purportedly marking the Southwest corner of Section 7, Township 39 S., R. 10 E.W.M., as set and shown by record of Survey No. 1018 filed in the office of the Klamath County Surveyor, said beginning point also being North a distance of 3989.91 feet and East a distance of 9.80 feet from the iron pin marking the Southwest corner of Section 18, Township 39 S., R. 10 E.W.M.; thence N. $89^{\circ}47'40''$ E. along the westerly extension of an old existing fence line and along said fence line a distance of 1001.20 feet; thence South a distance of 293.25 feet to a one-half inch iron pin; thence N. $70^{\circ}49'32''$ E. a distance of 152.63 feet to the true point of beginning; thence N. $00^{\circ}12'20''$ West a distance of 98.62 feet; thence S. $89^{\circ}47'40''$ W. a distance of 479.81 feet; thence on the arc of a curve to the left (central angle is $90^{\circ}03'40''$) (radius is 94.91 feet) a distance of 149.19 feet; thence S. $00^{\circ}16'00''$ E. a distance of 194.56 feet.

SUBJECT TO: (1) The assessment roll and the tax roll disclose that the within-described premises were specially assessed as farm land. Taxes for the year 1978-79 and possibly prior years have been deferred pursuant to ORS 308.370 to 308.403. These, plus earned interest, are due and payable when said reason for the deferment no longer exists. (2) Acreage and use limitations under provisions of United States Statutes and regulations issued thereunder. (3) Liens and assessments of Klamath Project and Enterprise Irrigation District and regulations, easements, contracts and water and irrigation rights in connection therewith. (4) Right of way for transmission line, including the terms and provisions thereof, given by Irving J. Dixon, a single man, to The California Oregon Power Company, a California corporation, dated April 21, 1926, recorded May 5, 1926, in Volume 69, Page 534, Deed Records of Klamath County, Oregon. (5) Access restrictions contained in deed from State of Oregon, by and through its State Highway Commission, to Harry R. Waggoner and Jack C. Prock, dated November 4, 1965, recorded November 17, 1965, in Volume M-65, Page 3734, Deed Records of Klamath County, Oregon.