MADELINE HATFIELD as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY
LORIN G. SEVERSON & L. CARLENE SEVERSON or the survivor thereof

WITNESSETH:

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

Government Lots 8, 9, 16 and 17 in Section 29, Township 35 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon.

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 THOUSAND ONE HUNDRED NINETY FIGHT AND SEVEN / 100ths*****

nerein, shall become immediately 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 temove 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 allecting 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 filing same in the proper public office or offices, as well as the cost of all lien searches made by liling officers or searching agencies as may be deemed desirable by the beneficiary.

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4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by lire and such other hazarra are till penticiary may from the require, in an amount such other hazarra are till penticiary may from the require, in companies aceptable to the beneficiary, with loss payable to the latter; all policies i insurance shall be delivered to the beneficiary as soon as insured; policies and such order as beneficiary at least lifteen 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 life or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may pert thereof, may be released to grantor. Such application or collected and in out or 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 all the second and the property before any part of any payable by grantor, either charges become past due or delinquent and uncompity deliver receipts therefor to beneficiary; should the grantor is other charges payable by grantor, either ments, insurance premiums, liens officers and the payable by grantor, either ments, insurance premiums, liens officers and the many payable by grantor, either ments, insurance premiums, liens officers and the many payable by grantor either works, and the payable with the payable w

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 is 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 teasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and or incurred by the state of the state

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement altecting this deed or the lien or charge thereol; (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 lacts shall be conclusive proof of the truthulness therein of any matters or lacts shall be conclusive proof of the truthulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any delault by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a reverter to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possission of said property or any part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in its own name sue or many part thereof, in the or many part thereof, in the property, and property, the collection of such rents, issues and prolits, or the proceeds of line and other insurance policies or compensation or release thereof as aloresaid, 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 hereby or in his performance of any agreement hereunder, time being of the pursuant of the such as a proceed to foreclose this trust deed by in equity as a mortisge or direct the trustee to for

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 auction to the highest bidder for cash, payable at the parcel or sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any coverant or warranty, express or implied. The recitals in the deed of any matter of 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 trustee and a reasonable charge by trustee statorney, (2) to the obligation secured by the trust deed, (3) to all persons attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subtract to the interest of the trustee in the trust deed as their interests may appear in the order of their generic and (4) the surplus, if any, to the grantor or to his 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 under thousand trustee herein named or appointed hereunder. Each such appointment under 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 senous ded of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by 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 lows 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 except Mortgage recorded in Volume M73, page 5739, Microfilm Records of Klamath County, Oregon in favor of State of Oregon, represented and acting by the Director of Veterans' Affairs and Trust Deed recorded in Volume M90, page 14197, Microfilm Records of Klamath County, **see and that he will warrant and forever defend the same against all persons whomsoever. **Oregon, in favor of Bennett Investment Company, as Beneficiary

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 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 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. CALIFORNIA STATE OF OREGON, County of This instrument was acknowledged before me on MADELINE HATFIELD This instrument was acknowledged before me on as JUDITH A. JACKSON Notary Public for NOTARY PUBLIC-CALIFORNIA commission expires Placer County My Commission Explics April 26, 1994 REQUEST FOR FULL RECONVEYANCE To be used only when obligations have been paid The undersigned is the legal owner and holder of all indebtedness secured by the toregoing 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 Beneficiary not lose or destroy this Trust Deed OR THE NOTE which it secure STATE OF OREGON, transferri Mannets TRUST DEED County ofKlamath.... (FORM No. 881) I certify that the within instrument STEVENS-NESS LAW PUB. CO., P was received for record on the 14th day Jan., 19. 92, MADELINE HATFIELD

P.O. BOX-63 97624 CHILOQUIN, OR SPACE RESERVED LORIN G. SEVERSON and L. CARLENE SEVERSON FOR RECORDER'S USE 31625 RIVERS BEND TÜBFELDI 1.01 GTD1 45 CHILOQUIN, OR 97624 M. OLANTRANCON Beneficiary

MOUNTAIN TITLE COMPANY

OF KLAMATH COUNTY

233.

at 3:35 o'clock .R.M., and recorded in book/reel/volume No. M92 on page796..... or as fee/file/instrument/microfilm/reception No. 39787..., Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk By aculene Muchader Deputy