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ASPEN TITLE & ESCROW, INC.

as Beneficiary,

WITNESSETH:

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of EIGHT THOUSAND NINE HUNDRED NINETY NINE AND 85/100,

sum of \$8,995.85 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 at maturity of note, 19 19, on which the final installment of said note

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:

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 and execute all documents necessary to carry out the purposes of 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, notices, and other expenses incident to the same, and to cause to be insured and maintained 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 may from time to time require, in an amount not less than the insurable value written in and acceptable to the beneficiary, with loss payable to the latter; and policies of insurance shall be delivered to the beneficiary as soon as issued; if the grantor shall fail for any reason to obtain such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any insurance now or hereafter placed on said buildings, then the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied to the benefit of the beneficiary or the beneficiary the entire amount so collected, or may determine, or at option of the beneficiary be released to grantor. Such application or release shall not constitute a release of the grantor from any liability he may incur, nor shall it constitute a release or waive any default or notice of default hereunder or invalidate any action pursuant to such notice.

act cure or waive any such notice.

The grantor covenants 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, interest or other charges payable by grantor, either by direct payment, beneficiary may, at its option, make payment thereof, making each payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in sections 6 and 7 of this hereby, together with the obligations described in paragraph 6 and 7 of this trust deed, shall be added to and become one debt secured by the property hereinbefore described, without waiver of rights arising from breach of any of the covenants hereof as hereinabove described, as well as the grantor, shall be bound to the extent that they are bound for the payment of the obligation so described, and all such payments shall be immediately due and payable with-
out notice, and the nonpayment thereof shall be at the option of the beneficiary, render all sums secured by said trust deed immediately due and payable and constitute a breach of this trust deed.

RAY, all costs, fees and expenses of this trust including the cost

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 the beneficiary's or trustee's attorney's fees; the including evidence of title and 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 decision of 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:

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 grantor to pay any portion of the monies payable as compensation therefor, including, 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, shares of such costs and expenses and attorney's fees, applied by it first upon such proceedings, necessarily paid or incurred by beneficiaries in the various appellate courts, and the balance applied upon the indebtedness of such parties in such proceedings; and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take all legal actions and execute such instruments as may be necessary or beneficial in obtaining such compensation from the condemning authority.

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

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 on 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 attorney, to be appointed by a court, and without further delay, enter upon and take possession of said property in whole or in 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 to the payment of the principal and interest on the indebtedness hereunder, together with the reasonable attorneys' fees and expenses of operation and collection 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 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.

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 due and payable. In such an event, the beneficiary, or his or her agent, may proceed to foreclose this trust deed in equity as a mortgage or may direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other legal remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose this trust deed by advertisement and sale, the trustee shall cause to be recorded his written notice of obligation of the beneficiary to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place for the sale thereof as then required by California Civil Code Section 2924 and California Civil Code Section 2924.5 and California Civil Code Section 2924.6.

notice thereof as their right to redeem the trust property shall be limited to the time and in the manner provided in ORS 86.735 to 86.795.

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 86.735 to 86.795 may cure the default or defaults. If the default consists of a failure to pay, when due, the 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 have been due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required and, if the default or obligation or trust deed. In any case, in addition to the amount of the default or defaults, the person effecting the cure shall also be liable to the beneficiary all costs and expenses incurred by the trustee 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, payable at the time of sale, trustee auction to the highest bidder for said parcel or parcels at the time of sale, shall deliver to the purchaser the deed in form as required by law conveying the property, but without any covenant or warranty, express or implied, of 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.*

of the truthfulness thereof. The trustee shall, at the option of the grantor and beneficiary, may purchase at the sale.

When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens and claims against 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.

The trustee shall have the right to, at any time, appoint a successor or successors.

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, the trustee, without conveyance to the successor trustee, the trustee herein named or appointed hereunder. Each such appointment of a successor trustee shall be in writing, signed by the appointing trustee, and the substitution shall be made by written instrument filed of record with the clerk of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

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.

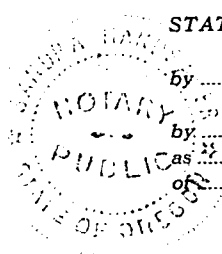
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
 (a)* primarily for grantor's personal, family or household purposes (see Important Notice below),
 (b) for an organization, or (even if grantor is a natural person) are for business or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

Dale E. Cady
 DALE E. CADY
Dorothy P. Cady
 DOROTHY P. CADY



STATE OF OREGON, County of KLAMATH } ss.
 This instrument was acknowledged before me on May 1, 1992,
 by DALE E. CADY and DOROTHY P. CADY
 This instrument was acknowledged before me on _____, 19____,
 by _____

Sandra Handwerker
 Notary Public for Oregon
 My commission expires 7/23/93

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. 881-1)

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

Grantor

Beneficiary

AFTER RECORDING RETURN TO

ATC

SPACE RESERVED
 FOR
 RECORDER'S USE

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

EXHIBIT "A"

9735

Those portions of Lots 30, 31 and 32, INDEPENDENCE TRACTS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at an iron pin which marks the Northeast corner of Lot 32; thence South 0 degrees 13' East along the East line of Lots 32, 31 and 30, a distance of 203.22 feet to an iron pin marking the Southeast corner of Lot 30; thence North 71 degrees 27' West along the South line of Lot 30 a distance of 79.7 feet to an iron pin; thence North 0 degrees 13' West a distance of 193.2 feet to an iron pin which lies on the North line of Lot 32; thence South 78 degrees 23' East along the North line of Lot 32 a distance of 77.14 feet more or less to the point of beginning.

CODE 41 MAP 3909-11AA TL 4700

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Aspen Title Co. the 5th day
of May A.D. 19 92 at 11:00 o'clock A M., and duly recorded in Vol. M92
of Mortgages on Page 9733.

FEE \$20.00

Evelyn Biehn - County Clerk

By Pauline G. M. [Signature]