

**TRUST DEED**

THIS TRUST DEED, made this 2nd day of June  
PHILIP R. GIBSON and MARGARET E. GIBSON, husband and wife

as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY, as Trustee, and  
LEONE J. FREDRICKSON, BETTIE L. BALL and ROBERT H. FREDRICKSON or the survivor  
 thereof  
 as Beneficiary,

WITNESSETH: \_\_\_\_\_ with power of sale, the property

WITNESSETH:

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: \_\_\_\_\_

\_\_\_\_\_ Block 1 of HOME ACRES,

The North 189.7 feet of the West one-half of Lot 2 in Block 1 of HOME ACRES,  
according to the official plat thereof on file in the office of the County  
Clerk of 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  
sum of THIRTY-SEVEN THOUSAND FIVE HUNDRED AND NO/100 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 due on or before the date stated above, on which the final installment of said note shall be paid.

June 15, 2007

note of even date herewith, payable to beneficiary or order and made by grantor, and the same shall be paid not sooner paid, to be due and payable June 15, 2007 on which the final installment of said note becomes due and payable. In the event 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.

Grantor agrees: \_\_\_\_\_ granting any easement or creating any restriction thereon; (c) join in any instrument, affecting this deed or the lien or charge thereon, or the property, this trust deed, grantor agrees: \_\_\_\_\_

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; and not to remit any waste of said property. in good and workmanlike

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to the Uniform Commercial Code as the beneficiary may request and to pay for filing same in the public office as the beneficiary may request and as the cost of all lien searches made by 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.

[illegible]

any part thereof, but shall waive any default or notice of default in such manner as to act due pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments or charges that may be levied or assessed upon or against said premises before any part of such assessments and other charges become past due or delinquent, the grantor shall promptly deliver receipts therefor to the beneficiary; should the grantor fail to make payment of any taxes, assessments or charges, should the grantor fail to make payment of any taxes, assessments, insurance premiums or other charges payable by or for the beneficiary, by providing beneficiary with the option to make payment thereof, by direct payment, beneficiary may, at its option, make payment thereof, make such payment, the amount so paid, with additions described in paragraphs 6 and 7 hereof, together with added to and become a part of the sums secured by this trust deed, and shall be deemed to be a part of the sums secured by this trust deed, without waiver of any rights arising with interest as aforesaid, the proper costs and fees hereof and for such payment as the grantor, shall be obligated to pay hereunder, shall be bound for the payment of the obligation herein same extent that all such payments shall be immediately due and payable with same described, and the nonpayment thereof shall be immediately due and payable and render all sums secured by this trust deed immediately due and payable and constitute a breach of costs, 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 fees actually incurred.

6. The trustee shall defend any and defend any action or proceeding purporting to

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 or proceeding for foreclosure of this deed, to pay all costs and expenses, in any suit or proceeding for foreclosure of this deed, in all cases shall be deemed evidence of title and the beneficiary's or trustee's agreement to bear the amount of attorney's fees mentioned in the event of an appeal from judgment or decree by 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:

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; (b) join in (a) consent to the making of any map or plat of said property;

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 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 foregoing shall not be less than \$5.

[illegible]

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 performance of any agreement hereunder, time being of the essence with respect to each payment and/or performance, the beneficiary may declare all sums secured hereby immediately due to foreclose this trust deed and event the beneficiary at his election may proceed to foreclose this trust deed or in equity as a mortgage or direct the trustee to pursue any other legal or equitable remedy, either at law or in equity, and the beneficiary may have the event remedy, either at law or in equity, by advertisement and written notice of default the beneficiary elects to cause and to be recorded and satisfy the obligation and the trustee shall cause to sell the said described real property to satisfy the obligation and the beneficiary to sell the said described real property at the time and place of sale, and the beneficiary whereupon the trustee shall proceed to foreclose this trust deed second to the first mortgage and proceed to foreclose this trust deed in the manner provided in and pursuant to ORS 86.733 to 86.795.

secured hereby as then required by law and to \$6,795.  
in the manner provided in ORS 86.735 to 86.795, may cure  
the default or defaults. After the trustee has commenced foreclosure by advertisement and conducts the sale, and at any time prior to 30 days before the date the trustee commences the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. The default consists of a failure to pay, when due, the sum secured by the trust deed, the default may be cured by paying the sums secured by the time of the cure or other default that is capable of being cured 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 electing 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.

Otherwise, the sale shall be held on the date and at the time and place which said sale may

[4]. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either by postponed or separate parcels and shall sell each parcel or parcels at in one parcel or as many separate parcels as he deems fit at the time of sale. Trustee's auctioneer will accept the highest bidder for cash, payment as required by law conveying title to the purchaser without deed, covenant or warranty, express or implied deliver to the purchaser its deed in full form as required by law conveying the property so sold, but without any matters of fact shall be conducted upon proof of the truthfulness thereof. Any person, excluding the trustee, but including beneficiary, may purchase at the powers provided herein, trustee

15. When the proceeds of sale to payment of (1) the expenses of sale, (2) the compensation of the trustee and (3) the trust deed, (3) to all persons claiming (2) the obligation to the interest of the trustee and (4) the having recorded interests may appear in the order of distribution and (5) the deed as if the interests may appear in the order of interest entitled to such 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 successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, with or without conveyance of the duties conferred upon the trustee herein named or appointed, the duties and responsibilities of the trustee herein named or appointed shall be deemed to have been assigned, and substitution shall be made by the instrument executed by beneficiary, upon the recording of which mortgage records of the county or appointment which, when the proper situation, shall be conclusive proof of proper appointment of the successor trustee. This trust when this deed, duly executed and

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 except none

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.

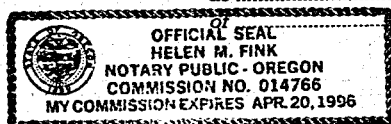
PHILIP R. GIBSON

MARGARET E. GIBSON

STATE OF OREGON, County of Klamath ) ss.

This instrument was acknowledged before me on June 19, 1992, by PHILIP R. GIBSON and MARGARET E. GIBSON

This instrument was acknowledged before me on 19, 19 by as



Helen M. Fink

Notary Public for Oregon

My commission expires 4/20/96

#### 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)

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

PHILIP R. GIBSON & MARGARET E. GIBSON

Grantor

LEONE J. FREDRICKSON et al

Beneficiary

AFTER RECORDING RETURN TO  
MOUNTAIN TITLE COMPANY OF  
KLAMATH COUNTY

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 12th day of June, 1992, at 3:10 o'clock P.M., and recorded in book/ree/volume No. M92 on page 12870 or as fee/file/instrument/microfilm/reception No. 46130, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By [Signature] Deputy

Fee \$15.00