

Vol. 92 Page 29328

After Recording Return to (Name, Address, Zip):  
MOUNTAIN TITLE COMPANY  
OF Klamath County

which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees reasonably 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 beneficiary 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 compensation, promptly upon beneficiary's request.

8. At any time and from time to time upon written request of beneficiary, payment of its loan and presentation of this deed and the note for endorsement (in case of full reconveyance, 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 the property; (b) join in any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien in charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "param or persons legally entitled thereto," and the recitals therein of any matters in fact 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 appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any part thereof, in its own name use or otherwise collect the rents, issues and profits, including those not due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of sale 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 grantor's 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 may also 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 a written notice of default and election to sell the 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 86.235 to 86.295.

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 86.253, 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 or by tendering the performance required under the obligation or trust deed. 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 the sale may be postponed as provided by law. The trustee may sell the 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 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 implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, including 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, 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 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 any 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, 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 written instrument executed by beneficiary, which, when recorded in the recording 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 action 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.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully vested in fee simple in the real property and has a valid, unincumbered title thereto except NOW.

and that the grantor will warrant and forever defend the same against all persons who may assert:

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.

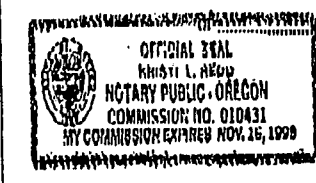
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In construing this mortgage, it is understood that the mortgagee or mortgagees may be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical clauses shall be made, assumed and implied to make the provisions herein apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument this 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-Heiss Form No. 1219, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of \_\_\_\_\_  
This instrument was acknowledged before me on \_\_\_\_\_ December 10, 1992  
by \_\_\_\_\_ RICHARD H. SETTELMEYER for himself and as attorney-in-fact for  
\_\_\_\_\_ SHARI LEE SETTELMEYER  
This instrument was acknowledged before me on \_\_\_\_\_ 19\_\_\_\_  
by \_\_\_\_\_  
as \_\_\_\_\_

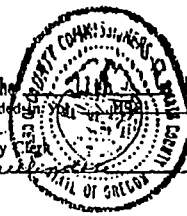


*Richard H. Settelmeyer*  
RICHARD H. SETTELMEYER  
Shari Lee Settelmeyer by  
Richard H. Settelmeyer as  
attorney-in-fact  
*Shari Lee Settelmeyer*  
Shari Lee Settelmeyer  
Notary Public for Oregon  
My commission expires 11/16/95

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

STATE OF OREGON: COUNTY OF KLAMATH: \$5.

Filed for record at request of Mountain Title Co. the \_\_\_\_\_ of \_\_\_\_\_  
of Dec. 14, 1992 at 10:36 o'clock A.M., and duly recorded on Page 29328  
of Mortgage on \_\_\_\_\_  
FEE \$15.00 INDEXED D.V.V.  
EXHIBIT B  
PAGE 2 OF 2



JAN 11 1993

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OPTION AGREEMENT

For valuable consideration, I hereby grant to West One Bank, Oregon the exclusive option to purchase my interest in the Real Estate Contract described below for a period of 30 days from this date by giving me notice within that time that it desires to exercise this option of the following terms:

Description of Contract

Today's Date: January 4, 1993

Seller: Ronald Gwin

Buyer: Rick Settlemeir

Contract Date:

Address/Legal Description:

Mobile + One Acre (Mile Post 82 Hwy. 58 between Eugene & Klamath Falls, Oregon)

Contract balance \$ 9,000.00 payable at \$ 250.00/mo. at 8.0 %.  
Prior Contract \$            payable at \$            at            %.  
Net equity balance = \$ 9,000.00

The option price West One Bank, Oregon will pay for my right to receive the sum \$ 9,000.00 plus interest (being all or a portion of my net equity balance as calculated above) is the sum of \$ 7,210.00 \*. In the event that the net equity balance changes during the pending of the option agreement, the amount paid by West One Bank, Oregon for the purchase of the real estate contract may increase or decrease in an amount proportionate to the increase or decrease in the net equity balance, taking into consideration West One's discount/yield rate.

Assignment

Upon the exercise of this option if I have not already done so, I will execute and deliver to West One Bank, Oregon a full Seller's Assignment of Real Estate Contract and deed with the understanding that it will be used when I am paid as herein agreed.

\*West One will pay all closing costs provided the seller does not cancel the sale at the time of closing. Final funding of the contract purchase is subject to review and acceptance of the property, pay history and all contract documents.

OPTION AGREEMENT - 1

EXHIBIT C  
PAGE 1 OF 2

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Holdback Payment

I understand that, in the event this option is exercised, THE NEXT INSTALLMENT PAYMENT received during closing will be held by your escrow company. After West One Bank, Oregon receives and credits payment to the contract, the accrued interest portion up until the time of closing will be released to me.

Costs

I also understand that if after my contract is sent to the title company for closing I decide not to sell it, I will reimburse the bank for all out-of-pocket expenses not to exceed \$275.00.

Taxes

I understand that in the event that the contract I am selling has any delinquent taxes, the delinquency will be withheld from the proceeds and cured. I further understand that the money will be refunded to me upon payment by the purchasers.

Property Address

Please provide us with the address of the property. If no address is available, then directions to the property.

Lot 5 Block 10 Tract 1042 Two Rivers North Sub.  
(Lot 5 on Adell St.)

Please sign and date.

DATED this 7<sup>th</sup> day of JANUARY, 1993.

West One Bank, Oregon

Maria Alberto  
Assistant Vice President

Ronald G. Gwin

503 MT #  
883-3401  
OPTION AGREEMENT - 2

R.A. Malmstrom:

I contacted MT. Title in K Falls to let them know what was going on. The person to talk to is Kristi Redd.

Ronald G. Gwin

EXHIBIT C

PAGE 2 OF 2

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 25th day of February A.D., 19 93 at 3:00 o'clock PM., and duly recorded in Vol. M93 of Mortgages on Page 3961.

FEE \$ 40.00

Evelyn Biehn County Clerk

By Pauline Mendenhall