

Reliable Credit Association, Inc.

Beneficiary
1005 N. Riverside
Medford, Oregon 97501

Number

ATC 40655

Due Date

James A. Paulson
Carolyn Paulson
PO Box 480
Keno, OR 97627

Date Note	Amt. Note & Loan	First Pymt. Due
10/14/93	38550.72	11/25/93
Terms(Except Final)	Final Pymt. Due	Princ. Amt. Fin.
96x401.57	10/25/01	20250.50
Final Payment Equal to Unpaid Principal and Interest if any		Other Pymts. Due Same Day Each Month

(Grantor(s) - (Borrower)

LINE OF CREDIT INSTRUMENT

This Trust Deed secures future advances as provided below up to a maximum of the principal amount shown above. (Amt. Note)

A. This Trust Deed, by and between the above-named grantor(s), beneficiary, and Aspen Title & Escrow Trustee, the terms and dates of which are indicated above.

WITNESSETH.

Grantor irrevocably grants, bargains, sells, and conveys to Trustee, in Trust, with power of sale, the property described as:

Klamath

County, Oregon.

aka: Lot 18, Block 37, SIXTH ADDITION TO KLAMATH RIVER ACRES,
in the County of Klamath, State of Oregon.

which said property is not currently used for agricultural, timber, or grazing purposes, together with all 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.

B. Grantor agrees that this Trust Deed is for the purpose of securing: (a) performance of each and every covenant and agreement herein contained to be kept and/or performed by grantor; (b) payment of a promissory note or continuing note in accordance with the terms as above described, strictly according to the terms thereof; (c) payment of a promissory note or continuing note in accordance with the terms as above described, strictly according to the terms thereof; and (d) payment of any other or future indebtedness of grantor to beneficiary, however the same may be evidenced, in whatever form it may be and at whatever time it may be created until this Trust Deed shall be formally discharged and terminated by beneficiary. Grantor agrees that this Trust Deed to Reliable Credit Association, Inc., shall constitute a first lien upon the real property hereinabove described, except for any encumbrances described herein, and that all of the grantor's right, title and interest in and to and upon said real property shall be subject to and subordinate to the existing Trust Deed in favor of Reliable Credit Association, Inc., not only for the unpaid balance of the original loan and any further advances heretofore made, secured by said Trust Deed, but also for any additional advances, if any, now to be made by Reliable Credit Association, Inc., to grantor, or either of them. Future advances under this Trust Deed shall be evidenced either by execution of a new promissory note including all new advances and other charges authorized by the terms of this Trust Deed, or by appropriate endorsement by grantor, or either of them, on the reverse side of the check to grantor, or either of them, for the additional advance. This Trust Deed is a lien only for the amount that grantor is actually indebted to Reliable Credit Association, Inc., at any particular time.

☒ Agreed Rate of Interest shall be as stated in the promissory note or renewals or extensions, if any, of said promissory note.

D. 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 as stated below:

and grantor will not cause or allow beneficiary to take a more junior position than is indicated herein, and that he will warrant and forever defend the same against all persons whomsoever. Grantor further agrees that if there is a prior lien (mortgage, trust deed, or other encumbrance) on the above described property that requires specific payments, that grantor will pay such amounts as they become due. Failing to do so, beneficiary may, at its option, pay such amounts or the balance in order to protect its interest, adding the amount to this obligation as explained in para. 18.

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

2: To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed

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, unless pro-

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage as follows: (a) for single and double family units in which the grantor, his wife or dependent children reside as their primary residence, insurance for fire and additional coverage equal to that provided in the Standard Insurance Form ISO form HO-3, plus flood insurance, as indicated in a designated flood plain; (b) for any other than the

insurance if the property is located in a designated flood plain; (b) for other than the above types of property insurance for fire, extended coverage, vandalism and malicious mischief all risk coverage. The coverages shall be in an amount not less than the County Assessor appraised value of the building, 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 policies 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 be made in default or notice of default herunder or in invalidate any

5. To keep said premises free from mechanics 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

premiuns, lies 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 his option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, unless prohibited by law, 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 here-

bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust due and payable at once.

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, unless prohibited by law, and not to sell or assign an interest in the property without first obtaining beneficiaries' written consent.

7. To appear in and defend any action or proceeding purporting to affect the security rights of the beneficiary or trustee in any such 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, including 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 trial court and in the event of an appeal from any judgment or order of the trial court, the further amount of such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

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 beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expenses, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon demand therefor by beneficiary.

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 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 said property; (b) join in granting any easement or creating any restriction thereon; (c) join in 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 thereof shall be the basis and proof of the truth of these terms.

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 appointed by a court, and without regard to the adequacy of any security for the indebtedness

including those past 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, unless prohibited by law.

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, the beneficiary may declare all sums secured hereby immediately due and payable, less unearned finance charges, if any. In such an event beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage in the manner provided by law for mortgage foreclosures or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or his election to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale in the manner provided in ORS 86.740 to 86.795. A deficiency balance may be obtained as allowed by ORS 86.776.

13. After default at any time prior to five days before the date set for the trustee's sale, the grantor or other person so privileged by ORS 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50 each), unless prohibited by law, other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

14. 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 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 to be sold, but without any covenant or warranty, express or implied. The results of the deed of 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 (a) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, unless prohibited by law, (b) to the obligation secured by the trust deed, (c) to all persons having recorded liens subsequent to the interest of the trustee in the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law 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 trustee, the latter shall be vested with all title, powers and duties the successor trustee, the latter shall be deemed or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, containing reference to this trust deed and its place of record, which when recorded in the office of the County Clerk or Recorder 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.

18. Grantor further agrees that any and all amounts paid by beneficiary to protect its interests herein or to fulfill grantor's obligations hereunder, including but not limited to termination, satisfaction or reconveyance fees, costs, insurance, or expenses, or any of them or others of like nature, may be added to the balance owing on this trust deed and shall be payable at the same interest rates and applicable conditions as stated hereon, unless specifically prohibited by law. Any refund amounts on any of the above may be applied to the balance owing on this account, at the option of the beneficiary, but such payment will only be considered as being applied to the last payment or payments on the account.

19. This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgees, of the note 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.

20. The Grantor hereby jointly and severally authorizes beneficiary, its agents and assigns, to communicate in any manner with any person, firm, corporation or governmental agency for any purpose in connection with the making or collection of this loan, or future loans secured by this document, and also waive the right to enforce any claim, action or cause of action which the Grantor may hereafter have for violation of right of privacy by reason of such communications.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

(Corporation)

STATE OF OREGON, County of _____ ss.

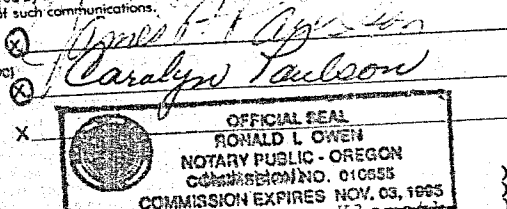
Personally appeared _____, 19____, and _____ who, being duly sworn each for himself and not one for the other, did say that the former is the _____ president and that the latter is the _____ secretary of _____ a corporation,

and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

(OFFICIAL SEAL)

Before me: _____ Notary Public for Oregon - My commission expires: _____

(ORS 93.490)



STATE OF OREGON, County of _____ ss.

October 14, 1993. Personally appeared the above named _____ James A. & Carolyn Paulson and acknowledged the foregoing instrument to be _____ their _____ voluntary act and deed.

Before me: _____ Notary Public for Oregon - My commission expires: _____

TRUST DEED

Grantor

Reliable Credit Association, Inc.
Beneficiary

STATE OF OREGON,
County of Klamath

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock P.M., and recorded in book _____, on page _____, Record of Mortgages of said County.

Witness my hand and seal of _____ County affixed.

Evalyn Blaha

County Clerk

Deputy

Fee \$15.00
Return to:
Reliable Credit Association, Inc.
1005 N. Riverside
Medford, Oregon 97501
(Beneficiary)

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____

Reliable Credit Association, Inc.

by _____ Beneficiary (Title)

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.