

SOYLAND, Audie and Linda
DLB 60961330-04

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DEED OF TRUST

72606

(Direct)

This Deed of Trust, made this 9th day of December, 1993, by and between Audie Soyland and Linda Soyland, hereinafter referred to as "Grantor," 1007 Loma Linda Drive, Klamath Falls, Oregon 97601, whose address is 222 Southwest Columbia Street, Suite 500, Portland, OR 97201, hereinafter referred to as "Trustee," and the Administrator of the Small Business Administration, an agency of the Government of the United States of America, hereinafter referred to as "Beneficiary," who maintains an office and place of business at 222 Southwest Columbia Street, Suite 500, Portland, OR 97201.

WITNESSETH, that for and in consideration of \$1.00 and other good and valuable consideration, receipt of which is hereby acknowledged, the Grantor does hereby bargain, sell, grant, assign, and convey unto the Trustee, his successors and assigns, all of the following described property situated and being in the County of Klamath State of Oregon, this real property is not currently used for agricultural, grazing or timber purposes:

Parcel 1: The South half of Lot 5 and all of Lots 6 and 7 in Block 4, Williams Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Parcel 2: The North half of Lot 5 in Block 4, Williams Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Together with and including all buildings, all fixtures, including but not limited to all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air conditioning apparatus, and elevators (the Trustor hereby declaring that it is intended that the items herein enumerated shall be deemed to have been permanently installed as part of the realty), and all improvements now or hereafter existing thereon; the hereditaments and appurtenances and all other rights thereunto belonging or in anywise appertaining; and the reversion and reversions, remainder and remainders, and the rents, issues, and profits of the above described property. To have and to hold the same unto the Trustee, and the successors in interest of the Trustee, forever, in fee simple or such other estate, if any, as is stated herein in trust, to secure the payment of a promissory note dated December 9, 1993 and maturing on December 9, 1996, signed by Audie Soyland and Linda Soyland in behalf of themselves, in the principal sum of \$57,000.00, and of the indebtedness evidenced thereby is the Beneficiary.

reasonable attorneys' fees, on account of any litigation which may arise with respect to this Trust or with respect to the indebtedness evidenced by said note, the protection and maintenance of the property hereinabove described or in obtaining possession of said property after any sale which may be made as hereinafter provided.

2. Upon the full payment of the indebtedness evidenced by said note and the interest thereon, the payment of all other sums herein provided for, the repayment of all monies advanced or expended pursuant to said note or this instrument, and upon the payment of all other proper costs, charges, commissions, and expenses, the above described property shall be released and reconveyed to and at the cost of the Grantor.

3. Upon default in any of the covenants or conditions of this instrument or of the note or loan agreement secured hereby, the Beneficiary or his assigns may without notice and without regard to the adequacy of security for the indebtedness secured, either personally or by attorney or agent without bringing any action or proceeding, or by a receiver to be appointed by the court, enter upon and take possession of said property or any part thereof, and do any acts which Beneficiary deems proper to protect the security hereof, and either with or without taking possession of said property, collect and receive the rents, royalties, issues, and profits thereof, including rents accrued and unpaid, and apply the same, less costs of operation and collection, upon the indebtedness secured by this Deed of Trust; said rents, royalties, issues, and profits, being hereby assigned to Beneficiary as further security for the payment of such indebtedness. Exercise of rights under this paragraph shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice but shall be cumulative to any right and remedy to declare a default and to cause notice of default to be recorded as hereinafter provided, and cumulative to any other right and/or remedy hereunder, or provided by law, and may be exercised concurrently or independently. Expenses incurred by Beneficiary hereunder including reasonable attorneys' fees shall be secured hereby.

4. The Grantor covenants and agrees that if he shall fail to pay said indebtedness, or any part thereof, when due, or shall fail to perform any covenant or agreement of this instrument or of the promissory note secured hereby, the entire indebtedness hereby secured shall immediately become due, payable, and collectible without notice, at the option of the Beneficiary or assigns, regardless of maturity, and the Beneficiary or assigns may enter upon said property and collect the rents and profits thereof. Upon such default in payment or performance, and before or after such entry, the Trustee, acting in the execution of this Trust, shall have the power to sell said property, and it shall be the Trustee's duty to sell said property (and in case of any default of any purchaser, to resell) at public auction, to the highest bidder, first giving four weeks' notice of the time, terms, and place of such sale, by advertisement not less than once during each of said four weeks in a newspaper published or distributed in the county or political subdivision in which said property is situated, all other notice being hereby waived by the Grantor (and the Beneficiary or any person on behalf of the Beneficiary may bid and purchase at such sale). Such sale will be held at a suitable place to be selected by the Beneficiary within said county or political subdivision. The Trustee is hereby authorized to execute and deliver to the purchaser at such sale a sufficient conveyance of said property, which conveyance shall contain recitals as to the happening of a default upon which the execution of the power of sale herein granted depends; and the said Grantor hereby constitutes and appoints the Trustee as his agent and attorney in fact to make such recitals and to execute said conveyance and hereby covenants and agrees that the recitals so made shall be binding and conclusive upon the Grantor, and said conveyance shall be effectual to bar all equity or right of redemption, homestead, dower, right of appraisement, and all other rights and exemptions of the Grantor, all of which are hereby expressly waived and conveyed to the Trustee. In the event of a sale as hereinabove provided, the Grantor, or any person in possession under the Grantor, shall then become and be tenants holding over and shall forthwith deliver possession to the purchaser at such sale or be summarily dispossessed, in accordance with the provisions of law applicable to tenants holding over. The power and agency hereby granted are coupled with an interest and are irrevocable by death or otherwise, and are granted as cumulative to all other remedies for the collection of said indebtedness. The Beneficiary or Assigns may take any other appropriate action pursuant to state or Federal statute either in state or Federal court or otherwise for the disposition of the property.

5. In the event of a sale as provided in paragraph 4, the Trustee shall be paid a fee by the Beneficiary in an amount not in excess of 2 percent of the gross amount of said sale or sales; provided, however, that the amount of such fee shall be reasonable and shall be approved by the Beneficiary as to reasonableness. Said fee shall be in addition to the costs and expenses incurred by the Trustee in conducting such sale. The amount of such costs and expenses shall be deducted and paid from the sale's proceeds. It is further agreed that if said property shall be advertised for sale as herein provided and not sold, the Trustee shall be entitled to a reasonable fee, in an amount acceptable to the Beneficiary for the services so rendered. The Trustee shall also be reimbursed by the Beneficiary for all costs and expenses incurred in connection with the advertising of said property for sale if the sale is not consummated.

6. The proceeds of any sale of said property in accordance with paragraph 4 shall be applied, first, to payment of fees, costs, and expenses of said sale, the expenses incurred by the Beneficiary for the purpose of protecting or maintaining said property and reasonable attorneys' fees; secondly, to payment of the indebtedness secured hereby; and thirdly, to pay any surplus or excess to the person or persons legally entitled thereto. In the event said property is sold pursuant to the authorization contained in this instrument or at a judicial foreclosure sale and the proceeds are not sufficient to pay the total indebtedness secured by this instrument and evidenced by said promissory note, the Beneficiary will be entitled to a deficiency judgment for the amount of the deficiency without regard to appraisement, the Grantor having waived and assigned all rights of appraisement to the Trustee.

7. The Grantor covenants and agrees as follows:

a. He will promptly pay the indebtedness evidenced by said promissory note at the times and in the manner therein provided.

RECORDED IN CV 82823-1302

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He will pay such expenses and fees as may be incurred in the protection and maintenance of said property, including the fees of any attorney employed by the Beneficiary for the collection of any or all of the indebtedness hereby secured, or such expenses and fees as may be incurred in any foreclosure sale by the Trustee, or court proceedings or in any other litigation or proceeding affecting said property and attorneys' fees reasonably incurred in any other way.

Beneficiary may from time to time require, on the improvements now or hereafter on said property, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies acceptable to Beneficiary, and the policies and renewals thereof shall be held by Beneficiary and have attached thereto loss payable clauses in favor of Beneficiary.

f. He will keep the said premises in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted, and in the event of the failure of the Grantor to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, the Beneficiary may make such repair as in the Beneficiary's discretion it may deem necessary for the proper preservation thereof, and any sums paid for such repairs shall bear interest from the date of payment at the rate specified in the note, shall be due and payable on demand and shall be fully secured by this Deed of Trust.

h. He will not rent or assign any part of the rent of said property or demolish, remove, or substantially alter any building without the written consent of the Beneficiary.

10. The Grantor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinabove recited; and that he hereby binds himself and his successors in interest to warrant and defend the title aforesaid thereto and every part thereof against the lawful claims of all persons whomsoever.

12. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to Beneficiary, who may apply the same to payment of the installments last due under said note, and the Beneficiary is hereby authorized, in the name of the Grantor, to execute and deliver valid acquittances thereof and to appeal from any such award.

13. The irrevocable right to appoint a substitute trustee or trustees is hereby expressly granted to the Beneficiary, his successors or assigns, to be exercised at any time hereafter without notice and without specifying any reason therefor, by filing for record in the office where this instrument is recorded an instrument of appointment. The Grantor and the Trustee herein named or that may hereinafter be substituted hereunder expressly waive notice of the exercise of this right as well as any requirement or application to any court for the removal, appointment or substitution of any trustee hereunder.

14. Notice of the exercise of any option granted herein to the Beneficiary or to the holder of the note secured hereby is not required to be given the Grantor, the Grantor having hereby waived such notice; If it shall be necessary to give notice to the Beneficiary or to the holder of the note secured hereby, the notice shall be given to the Beneficiary or to the holder of the note secured hereby at the last address known to the Grantor.

15. If more than one person joins in the execution of this instrument as Grantor or if anyone so joined be of the feminine sex, the pronouns and relative words used herein shall be read as if written in the plural or feminine, respectively, and the term "Beneficiary" shall include any payee of the indebtedness hereby secured or any assignee or transferee thereof whether by operation of law or otherwise. The covenants herein contained shall bind and the obligations hereunder shall be binding on the parties hereto and their heirs, assigns, administrators, executors, and assigns of the parties hereto.

16. In compliance with section 101.1(d) of the Rules and Regulations of the Small Business Administration (13 C.F.R. 101.1(d)), this instrument is to be construed and enforced in accordance with applicable Federal law.

17. A judicial decree, order, or judgment holding any provision or portion of this instrument invalid or unenforceable shall not in any way impair or preclude the enforcement of the remaining provisions or portions of this instrument.

IN WITNESS WHEREOF the Grantor has executed this instrument and the Trustee and Beneficiary have accepted the delivery of this instrument as of the day and year aforesaid at his residence in the County of _____ State of _____

 Grantor

 Trustee

 Beneficiary

 Audie Soyland

 Linda Soyland

to him or his heirs and assigns forever. The grantor hereby covenants and warrants that he has no other interest in the premises except as herein stated; that he will keep the said premises in as good order and condition as they are now and will not permit any waste thereof, reasonable wear and tear excepted, and in the event of the failure of the grantor to keep the buildings on said premises and those to be erected on said premises, or improvements thereon, in good repair, the beneficiaries may make such repairs as in the beneficiary's discretion it may seem best and necessary for the proper preservation thereof, and any sums paid for such repairs shall bear interest from the date of payment to the rate provided in the note shall be due and payable on demand.

STATE OF OREGON)
COUNTY OF CLATSOP) ss.
I, _____, Clerk of said County, do hereby certify that the foregoing is a true and correct copy of the original instrument filed for record in my office this _____ day of _____, A.D. 19____.

On this day there personally appeared before me Archie Saylors and Wanda Saylors who acknowledged to me known to be the individuals described in and who executed the within and foregoing instrument and acknowledged that they signed the same as their free and voluntary act and deed for the uses and purposes therein mentioned to wit: to convey all other legal title pertaining to said premises

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this 10 day of December, 1993.

 OFFICIAL SEAL OF
CARRIE SHADDOCK
NOTARY PUBLIC
COMMISSION NO. 020801
MY COMMISSION EXPIRES DEC 22, 1996

Carrie Shaddock
Notary Public in and for the
State of Oregon
Residing at Hilmarth Falls
My Commission Expires 12-22-96

10. The Grantor covenants that he is lawfully seized and possessed of and has the right to sell and convey said property; that the same is free from all encumbrances except as hereinafter recited; and that he hereby binds himself and his heirs in interest to warrant and defend the title aforesaid therein and every part thereof against the lawful claims of all persons.

DEED OF TRUST

Between
Audie Soyland and Linda Soyland Grantors

and
U.S. SMALL BUSINESS ADMINISTRATION Trustee

and
U.S. SMALL BUSINESS ADMINISTRATION Beneficiary

STATE OF OREGON
County of Klamath

Filed for record at request of _____
Mountain Title Company

on this 10th day of Dec A.D., 19 93
at 10:38 o'clock A.M. and duly recorded
in Vol. W93 of Mortgages Page 32883
Evelyn Biehnn County Clerk
By Evelyn Biehnn Deputy

Fee, \$25.00

Return to: U.S. SMALL BUSINESS ADMINISTRATION
Address: P.O. Box 13795
Sacramento, CA 95853-6795