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Jan Constanted of the United States of America, bereinafter referred to as "Beneficiary," who maintains an office and place of healests at 222 Southwest Columbia St., Suite 500, Portland, OR, 97201-6605

Virtual same for and in consideration of \$1.00 and other good and valuable consideration, receipt of which is hereby schnowledged, the Grantor does hereby hargain, sell, grant, assign, and convey unto the Trustee, his successome and sanigos, 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, said the Trusts shall be emplied to a resomming feeting on shall be declarated and paid femanthe solds proceeds. It is further agencid that if and property and the

The Westerly 64.5 feet of Lots 5 and 6. Block 5 of THE TERRACES, More particularly

Beginding at the Southwesterly corner of said Lot 6 and running thence in a North-Beginning at the Southwesterly corner of said Lot 6 and running thence in a North-westerly direction along the Easterly line of Mesa Street 100 feet; thence Easterly parallel with the Easterly line of Mesa Street 100 feet; thence Easterly naburn Street; thence Southeasterly of Mesa Street 100 feet to the Mortherly line of Mesa Street 100 feet Adduth Street; thence Westerly 64.6 feet to the point of beginning. Also the St of the Wy of Not W, Block 5; Then TERRACES; an addition to the City of Riamath Falls. Grantor, all of which are hereby expressly waived and conveyed to the Trusice in the event of a sale of the control of the bounds and the control of the con the indivited described appropriate constant states are an experimentally consistence and appropriate the investment of the result of the property of the prop this under the contain rectials note the happening of a default upon which the evention of the posts of a default upon which the evention of the posts of a cent and appearing the Truste of the cent and a selection in same for the posts of sales of a properties and appearing the Truste of the cent and a selection in same for the posts of sales of the constitution of the center o the county or political amidiation in which said property is situated, all relies notice bring hereby washed by the Geometry or political amidiation for the hereby of the Benedictary with residently or all the benedictary within sold sold or all the benedictary within sold sold or all the benedictary within sold sold or all the benedictary will be need at a smithing piece to be selected by the preclimater at such sale a sufficient conveyors and property after it is preclimate at such sale a sufficient conveyors. Trasted is better sufficient and conveyors and property stated in better sufficients and conveyors. property and contect the trans and proper increot. Open such denote the persons as personance, and transfer the context in the execution of this Trust, shall have the grown as a find and a care of any default of any personal in the last the first personance of the first personal in the first personal in the first personal property (and in each state and requested in the fightest bidder, first giving four weeks four eachs in a new piles public and sale by advertagement not less than once during each of said fear weeks in a new piles personal sale by advertagement not less than once during each of said fear weeks in a new piles here. property and collect the reach and profit thereof. Upon such default in payment or performance, and before for the option of the Beochetary or resigns, regardies of raterity, and the Benchetary or mergina may only other for the option of the Beochetary or resigns, regardies for formal to be present or residential conditions for constructed collect the resistant months increase. Unon such default in passivent or resistant conditions and before for constructed collect the resistant months increase. the duite indeligedues hereby secured shall immediately become due, payable, and sollection without reader, desting shall index purificial any covergant or ingreciment of this instrument on of the presentancy make a con-different and collection any covergant or ingreciment of this instrument on of the presentancy make a con-tile dintre indebteduess hornby encured shall immediately become due, navable, and nother the arrhogen and

a The Crustor coverants and agrees that if he shift fail to paye said independent, the any part that the Land to the state the state of the transference of the Land to the state to the transference of the Land to the state of the transference of the Land to the state of the transference of the Land to the state of the transference of the Land to the state of the transference of the Land to the state of th cures. By Beneficiary Rereunder including reasonable attorneys' fees shall be secured burchs. and/or remedy hereunder, or provided by lank and may be excremen concurrently or independently by Bandinian formular mannable interprets from the Bandinian formular mannable interprets from the Bandinian formular mannable interprets.

Together with and including all buildings, tall fixtures; including but not limited to all plumbing, heating, lighting, together wan and incatoing an oundings, an extores, including our not marica to an promising, nesting, ugaring, ventilability refrigerating, indinerating, air conditioning apparatus, and elevators (the Trustor hereby declaring that if 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 reany 1; and an unprovements now or necessary exacting moreon; and necessaries and appearances and an orner rights thereinto belonging; of in anywise apperblining, and the reversion and reversions, remainder and remainders, and a substitution of the substitution of rights thereunto belonging, or in anywise appertaining, and the reversion and reversions, remainder and remainders, and the rent, 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 see simple or such other estate, if any, as is stated herein in geprequess smooted, either personally or by the start of a promisery note dated of January 11/2 1993, and maturing geprequess smooted, either personally or by the start of a January 11/2 2023, and maturing

in behalf of themselves, the contrates or association of the macArthur and Darleen MacArthur The beneficial owner and holder of said note and of the indebtedness evidenced thereby is the Beneficiary.

property shall be released and reconsisted to and at the cort of

1. This conveyance is made upon and subject to the further trust that the said Grantor shall remain in quiet and perceable possession of the above granted and described premises and take the profits thereof to his own use until and peaceanie possession of the above granted and described premises and take the probis thereof to his own use until default be made in any payment of an installment due on said note or in the performance of any of the covenants or conditions contained therein or in this Deed of Trust; and, also to secure the reimbursement of the Beneficiary or any contained notes, the Trustee or any substitute trustee of any and all costs and expenses incurred, including 5BA Penn (CO (19-21) Province edite the many of 21 years of the control of the control

ressonable attorneys free, 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 milintenance of the property hereinabove described or in optioning busession of said property after any saile which may be made as hereinafter provided.

congress contained the early of in this pact of plant; and apply to make as terminater 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 chall be released and reconveyed to and at the cost of the Grantor.
- 23. 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 nale, 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 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 encited thereto.
- 20.77 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 Contrument and evidenced by usid 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.

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DINE 1738. The Granter covenants and agrees as follows:

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be He will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the Beneficiary.

- c. 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.
- d. The rights created by this conveyance shall remain in full force and effect during any postponement or extension of the time of the payment of the indebtedness evidenced by said note or any part thereof secured
- e. He will continuously maintain hazard insurance of such type or types and in such amounts as the 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 and in form acceptable to the Beneficiary. In the event of loss, Grantor will give payable clauses in layor of and an form acceptable to the Denenciary. An the event of loss, Grantof will give immediate notice in writing to Beneficiary and Beneficiary may make proof of loss if not made promptly by Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Grantor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In the event of a Trustee's sale or other transfer of title to said property in extinguishment of the indebtedness secured hereby, all right, title, and interest of the Grantor in and to any insurance policies then in force shall pass at the option of the Beneficiary to the purchaser or Beneficiary.
- 1. He will keep the said premises in as good order and condition as they are new and will not commit or permit any wasterthereof, reasonable wear and tear excepted, and in the event of the failure of the Granter to keep the buildings off said premises and those to be erected on said premises, or improvements thereon, in good repair, the Beneficiary may make such repairs 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
- He will not without the prior written consent of the Beneficiary voluntarily create or permit to be TU STO created against the property subject to this Deed of Trust any lies or lies inferior or superior to the lies of this Deed of Trust and further that he will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being
- 21.VIE OF h. He will not rent or sasign any part of the rent of said property or demolish, remove, or substantially
- 9. In the event the Grantor fails to pay any Federal, state, or local tax assessment, income tax or other tax lien. charge, fee, or other expense charged to the property hereinabove described, the Beneficiary is hereby authorized to pay the same and any sum so paid by the Beneficiary shall be added to and become a part of the principal amount of pay me same and any sum so paid by the accommon sum be abled to and become a part of the principal smooths of the indebtedness evidenced by said promissory note. If the Grantor shall pay and discharge the indebtedness evidenced by said promissory note, and shall pay such sums and shall discharge all caxes and liens and the costs, fees, and expenses of making, enforcing, and executing this Deed of Trust, then this Deed of Trust shall be canceled and
- 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 himproperty; that the name to tree from an encumurance except as necessarily thereto and every part thereof against the lawful claims of all reasons whomsoevers has executed the mathematical
- particle. For better security of the indebtedness hereby secured, the Grantor, upon the request of the Beneficiary, its successors or assigns, shall execute and deliver a supplemental mortgage or mortgages covering any additions, improvements; or betterments made to the property hereinabove described and all property acquired after the date bereof (all in form satisfactory to Grantee). Furthermore, should Grantor fail to cure any default in the payment of a prior or inferior encumbrance on the property described by this instrument, Grantor hereby agrees to permit Beneficiary to cure such default, but Beneficiary is not obligated to do so; and such advances shall become part of the indebtedness secured by this instrument, subject to the same terms and conditions.
- 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 Benefictary, who may apply the same to payment of the installments hoperty are nevery sengues and analy so pass to beneficiary, who may apply the same to payment of the did did the Beneficiary is bereby authorized, in the name of the Grantor, to execute and deliver
- 13. The irrevocable right to appoint a substitute trustee or trustees is hereby expressly granted to the Beneficiary. his successors of 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 for, by using for record in the onice where this instrument is recorded an instrument of appearament, 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 so any requirement or application to any court for the removal, appointment or substitution of

of this results as you sequired into a application to one count for the received and appropriate and or applications to one country of the received and appropriate and or applications to one country of the received and appropriate and or applications to one country and the received and appropriate and or applications to one country and the received and appropriate and or applications to one country and the received and appropriate and one country and the received and appropriate and the received and the receive ville wiedz pościencje agely he Tentaine herein naited or that may becedualitie be autorified to be recommended or the control of the ian p 141 Notice of the areacise of any option granted herein to the Beneficiary or to the holder of the note secured thereby is not required to be given the Grantor, the Grantor having hereby waived such notice. 15. If more than one person joins in the execution of this instrument as Grantor or if anyone so joined be of the feminine service prondims and relative words used herein shall be read as if written in the plural or feminine, teminine sext the pronouns and relative words used herein shall be read as it written in the piural or teminine, respectively, and the term Beneficiary shall include any payee of the indebtedness hereby secured or any assigned hor transferce thereof whether by opposition of law or otherwise. The covenants herein contained shall bind and the rights helpsin granted or conveyed shall mure to the respective heirs, executors, administrators, successors, and sasigns the indebuglices recured by this instrument, actives to the source result and pencilos 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 chall not in any way impair or preclude the enforcement of the remaining provisions or portions of this IN WATNESS WHEREOF, the Grantor has executed this instrument and the Trustee and Beneficiary have accopied the delivery of this instrument as of the day and year aforesaid property; that the same is free from all overgribs successes 19. Thirthantor covenants that he is lawfilly seized and the indebtediess svidences by asid promisers and a destruction was truined by soid promisers reflected was and shall pay such every and a first control was wearthur. charge, fee, at other expense charged to life projecty bereinabove generally, for itemporally pay the same said any sum so paid by the Benefalisty shall be added to said toward time. The indulations and any sum so paid by the femalests in the same transfer that the property of the indulations and the contract that the indulations are the contract to the indulations are the contract to the contra 9. In the event the Counter falls to pay any Federal, state, or local tax assessment. silier and building with the article conferr of the Foundation of the Foundation of the Foundation COUNTA Ob High or majoritals which will sufer rate the construction air of Light of Month and aird pressures. on this day there personally appeared before me Sco D Machine and Do War Man District 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.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal this \_ day of Jono. ou CARRIE SHADUCK

CARRIE SHADUCK

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