

RECORDING REQUESTED BY:

Chauncey P. Miller and Deborah Miller
35595 Shoshoni Drive
Chiloquin, Oregon 97624

WHEN RECORDED MAIL TO:

Audrey Mayo Gustafson
9635 Quartz Valley Road
Fort Jones, California 96032

UTC 13967795

SPACE ABOVE THIS LINE FOR RECORDER'S USE ONLY

DEED OF TRUST WITH ASSIGNMENT OF RENTS

This deed of trust, made on May 15, 1996, between **Chauncey P. Miller and Deborah Miller**, husband and wife, as joint tenants whose address in Klamath County, Oregon is 35595 Shoshoni Drive, Chiloquin, Oregon County of Klamath, State of Oregon, herein called **trustors**, and **Mountain Title Company**, whose address is 222 South Sixth Street, City of Klamath Falls, Oregon, County of Klamath, State of Oregon, herein called **trustee**, and **The Gustafson Family Trust as Beneficiary**, with Audrey M. Gustafson and Russell J. Gustafson, as Co Trustees for the The Gustafson Family Trust, whose address is 9635 Quartz Valley Road, City of Fort Jones, County of Siskiyou, State of California, herein called **beneficiary**.

Witnesseth: that trustor does hereby irrevocably grant, bargain, sell, and convey to trustee in trust, with power over sale, that property in the County of Klamath, State of Oregon, described herein as:

Lot 14 in Block 5 of LATAKOMIE SHORES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

SUBJECT TO: all those items of record and those apparent upon the land, if any, as of the date of this deed and those shown below, if any:

and the grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

69-01-24-070-340

69-03-24-121-120

This deed of trust is executed for the purpose of securing payment

of a certain note dated May 15, 1996, executed and delivered by trustor to beneficiary as payee, in the principal sum of \$95,000.00 (ninety five thousand dollars) and to secure payment of such other principal sums as prior to the maturity date of the note and this deed of trust, beneficiary may additionally loan to and for the account of trustor, together with interest, and the costs and charges in case of default and to secure the performance of trustors covenants herein this deed of trust shall not at anytime secure more than the principal sum of \$100,000.00 (one hundred thousand & no/100 dollars) together with interest, and the costs and charges in case of default. The making of any further loans, advances, or expenditures shall be optional with beneficiary. It is the express intention of the parties that this deed of trust shall stand as continuing security until all such advances together with interest thereon have been paid. There will be no prepayment penalty if loan balance is paid early.

A. To protect the security of this deed of trust, trustor agrees:

SECTION ONE MAINTENANCE OF PROPERTY

To keep the property in good condition and repair not to remove or demolish any building thereon to complete or restore promptly and in good and workmanlike manner any building that may be constructed, damaged, or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor: to comply with all laws affecting the property or requiring any alteration or improvements to be made thereon not to commit or permit waste thereof, not to commit, suffer, or permit any act on the property in violation of law: to cultivate, irrigate, fertilize, fumigate, prune, and do all other acts from which the character or use of the property may be reasonably necessary, the specific enumerations herein not excluding the general.

SECTION TWO INSURANCE

To provide, maintain, and deliver to beneficiary fire insurance satisfactory to and with loss payable to beneficiary. The amount collected under any fire or other insurance policy may be applied by beneficiary against any indebtedness secured hereby and in such order as beneficiary may determine. If security is not lessened below loan balance all amounts of insurance would released to trustor.

SECTION THREE PROCEEDINGS AFFECTING SECURITY OF DEED OF TRUST

To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee and to pay all expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, in any such action or proceeding in which beneficiary or trustee may appear.

SECTION FOUR TAXES AND ASSESSMENT

To pay, at least 10 days before delinquency, all taxes and assessments affecting the property when due, all encumbrances, charges, and liens, with interest, on the property or any part thereof, that appear to be prior or superior hereto: all costs, fees, and expenses of this trust. In addition to the payments due in accordance with the terms of the note hereby secured, trustor shall at the option and on demand of beneficiary, pay each month one-twelfth of the estimated annual taxes, assessments, insurance premiums, maintenance, and other charges upon the property, in trust for trustor's use and benefit and for the payment by beneficiary or any such item when due. Trustor's failure so to pay shall constitute a default hereunder. Ten days notice will be given trustors in the event of a possible foreclosure procedure resulting from a lien.

SECTION FIVE REIMBURSEMENT OF BENEFICIARY OR TRUSTEE

To pay immediately and without demand all sums expended by beneficiary or trustee pursuant to the provisions hereof, with interest from date of expenditure at the highest legal rate.

SECTION SIX LATE CHARGE

Trustor will pay a "late charge" not to exceed the maximum legal rate for each dollar of each payment more than 10 days in arrears to cover extra expense involved in handling delinquent payments.

SECTION SEVEN POWER OF BENEFICIARY OR TRUSTEE TO ACT

Should trustor fail to make any payment or to do any act as herein provided, then beneficiary or trustee, without obligation to do so and without notice to or demand on trustor and without releasing trustor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, beneficiary or trustee being authorized to enter on the property for such purposes appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee pay, purchase, contest, or compromise any encumbrance, charge, or lien that in the judgment of either appears to be prior or superior hereto and, in exercising any such powers, or enforcing this deed of trust by judicial foreclosure, pay necessary expenses, employ counsel and pay reasonable counsel fees.

SECTION EIGHT CONDEMNATION

Any award of damages in connection with any condemnation for

public use of or injury to the property or any part thereof is hereby assigned and shall be paid to beneficiary, who may apply or release such moneys received by beneficiary in the same manner and with the same effect as provided above for this position of proceeds of fire or other insurance.

SECTION NINE FORBEARANCE NOT A WAIVER

By accepting payment of any sum secured hereby after its due date, beneficiary does not waive the right either to require prompt payment when due of all other sums so secured or declare default for failure to so pay.

SECTION TEN RIGHTS OF TRUSTEE

At any time or from time to time, without liability therefor, and without notice, on written request of beneficiary in presentation of this deed of trust and note for indorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, trustee may reconvey all or any part of the property consent to the making of any map or plat thereof join in granting any easement thereon: or join in any extension agreement or any agreement subordinating the lien or charge hereof.

SECTION ELEVEN RECONVEYANCE

On written request of beneficiary stating that all sums secured hereby have been paid, and on surrender of this deed of trust and note to trustee for cancellation and retention and on payment of trustee's fees, trustee shall reconvey without warranty the property then held hereunder. The recitals in any reconveyance executed under this deed of trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in such reconveyance may be described as "the person or persons legally entitled thereto."

SECTION TWELVE ADDITIONAL SECURITY

As additional security, trustor hereby gives to and confers on beneficiary the right, power, and authority, during the continuance of this trust, to collect the rents, issues, and profits of the property, reserving unto trustor the right, prior to any default by trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues, and profits as may become due and payable. On any such default, 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 hereby secured, enter on and take possession of the property or any part thereof, in beneficiary's own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same, less expenses of operation and collection, including reasonable

attorneys' fees, on any indebtedness secured hereby, and in such order as beneficiary may determine. The entering on and taking possession of the property, the collection of such rents, issues, and profits and the application thereof, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

SECTION THIRTEEN ACCELERATION

On default by trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, all sums secured hereby shall immediately become due and payable at the option of beneficiary. In the event of default, beneficiary shall execute or cause trustee to execute a written notice of such default and of his election to cause the property to be sold to satisfy the obligation hereof and shall cause such notice to be recorded in the office of the recorder of each county in which the real property or some part thereof is situated.

Notice of sale having been given as then required by law, and not less than the time then required by law having elapsed, trustee, without demand on trustor, shall sell the property at the time and place fixed by it in the notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash, payable at time of sale. Trustee shall deliver to the purchaser trustee's deed conveying the property sold, but without any covenant or warranty express or implied. The recitals in such deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, including trustor, trustee, or beneficiary, may purchase at such sale.

After deducting all costs, fees, and expenses of trustee and of this trust, including cost of evidence of title and reasonable counsel fees in connection with sale, trustee shall apply the proceeds of sale to payment of or to all sums expended under the terms hereof, not then repaid, with accrued interest at the highest legal rate to the obligation secured by the trust deed to the holders of any recorded liens subsequent to the interest of trustee in the trust deed as their interests may appear and the remainder, if any, to the person or persons legally entitled thereto.

SECTION FOURTEEN BINDING EFFECT

This deed of trust 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 of the notes secured hereby, or, if the note has been pledged, the pledgee thereof. Whenever the context herein so requires, the masculine gender includes the feminine and or neuter, and the singular number includes the plural.

SECTION FIFTEEN NOTICE NOT REQUIRED

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 trustor, beneficiary, or trustee shall be a party unless brought by trustee.

SECTION SIXTEEN SUBSTITUTE TRUSTEE

In the event of dissolution or resignation of trustee, beneficiary may substitute a trustee or trustees to execute the trust hereby created, and when any such substitution has been filed for record in the office of the recorder of the county in which the property herein described is situated, it shall be conclusive evidence of the appointment of such trustee or trustees, and such new trustee or trustees shall succeed to all of the powers and duties of the trustee or trustees named herein.

SECTION SEVENTEEN CHANGES IN TAX LAWS

Except as prohibited by law, trustor agrees that in the event of the passage after the date hereof of any law of the State of California deducting from the value of property any lien thereon for purpose of taxation, or changing in any way the laws now in force for the taxation of deeds of trustor debts secured thereby for state or local purposes, or the manner of collection of any such taxes so as to effect the interest of the owner and holder of this deed of trust, then the whole of the principal sum secured by this deed of trust, together with the interest due thereon, shall at the option of the owner and holder of this deed of trust, without notice to any party, become immediately due and payable. Request is hereby made that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to trustor at trustor's address set forth above.

Dated: May 15, 1996

Chauncey P. Miller *Deborah Miller*
Chauncey P. Miller and Deborah Miller

Witnesses as to Chauncey P. Miller and Deborah Miller

William MacArthur
Signature of Witness

Camela Spencer
Signature of Witness

STATE OF OREGON

COUNTY OF KLAMATH

On May 15, 1996 Chauncey P. Miller and Deborah Miller personally appeared before me and acknowledged execution of this deed of trust.

Dawn Schooler
Signature of Notary Public

(SEAL)



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of AmeriTitle the 15th day of May A.D., 19 96 at 3:51 o'clock P. M., and duly recorded in Vol. M96 of Mortgages on Page 14082.

FEE \$35.00

By *Bernetha G. Letsch* County Clerk