

20256

TRUST DEED
K 49405

Vol. M96 Page 18566

THIS TRUST DEED, made this 11th day of June, 1996, between
KEVIN B. McDONALD

Western Title & Escrow

Steven Trono

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in
Klamath County, Oregon, described as:

Lot 53 Block 1, Tract 1098-Split Rail Ranchos, according to the official
plat thereof on file in the office of the County Clerk of Klamath County, Oregon

Account No.
Serial No.

COMMERCIAL TRUST DEED
MOLLYA BARTIC - OREGON
KATHLEEN M. MEMBLEN
OFFICIAL DEPT

together with all and singular 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
the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum
of SEVENTEEN THOUSAND SEVEN HUNDRED FIFTY AND NO/100

(\$17,750.00) Dollars, with interest thereon according to the terms of a promissory
note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if
not sooner paid, to be due and payable per terms of Note

The date of maturity of this debt secured by this instrument is the date, stated above, on which the final installment of the note
becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the
property or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, which
consent shall not be unreasonably withheld, then, at the beneficiary's option*, all obligations secured by this instrument, irrespective of
the maturity dates expressed therein, or herein, shall become immediately due and payable. (Delete underlined clause if inapplicable.)
The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:
1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or im-
provement thereon; not to commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed,
damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the 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.

4. To provide, and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or
damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than \$ full insurable
written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the bene-
ficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver the policies to the beneficiary
at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the beneficiary may pro-
cure 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 not cure or waive any default or notice of default here-
under or invalidate any act done pursuant to such notice.

5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or
assessed upon or against the 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 premiums,
liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such pay-
ment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note
secured hereby, 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 hereof and for such payments,
with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are
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 deed immediately due and pay-
able and constitute a breach of this trust deed.

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 fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee;
and in any suit, 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 the trial court and in the event of an appeal from any judgment or decree of
the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's at-
torney's fees on such appeal.

It is mutually agreed that:
8. In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, bene-
ficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking,

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company
or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real
property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.535.

*WARNING: 12 USC 1701 regulates and may prohibit exercise of this option.
**The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.

TRUST DEED

STATE OF OREGON,

County of

I certify that the within instru-
ment was received for record on the
_____ day of _____, 19____

at _____ o'clock _____ M., and recorded

in book/reel/volume No. _____ on

page _____ or as fee/title/instru-

ment/microfilm/reception No. _____

Record of _____ of said County.

Witness my hand and seal of

County affixed.

NAME TITLE

By _____ Deputy

After Recording Return to (Name, Address, City, State, Zip)
WESTERN TITLE & ESCROW COMPANY
1345 NW WALL ST., SUITE 200
BEND, OREGON 97701

1342 HIA AUNT 21 2011 500

9. At any time and from time to time upon written request of beneficiary, payment of its less and presentation of this deed and the note for endorsement (in case of full reconveyances; 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 plan of the property; (b) join in granting any easement or creating any restriction thereon; (c) join in any 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 therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustees' fees for any of the services mentioned in this paragraph shall be not less than \$5.

11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds thereof, shall constitute 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, the beneficiary may elect to 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 sell the property in the manner provided in ORS 86.735 to 86.795. In the event the beneficiary elects to foreclose by advertisement and sale, and at any time prior to 5 days before the date the trustee shall advertise the property for sale, the beneficiary or the trustee shall give notice of default or defaults. If the default or defaults are not cured within the time specified in the notice of default or defaults, the trustee shall proceed to sell the property in the manner provided in ORS 86.735 to 86.795.

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 86.753, 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 other than such portion as would not then be due had no default occurred. 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, excluding the trustee, but including the executor and beneficiary, may purchase at the sale. Notwithstanding herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale and (2) the obligation secured by the mortgage.

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 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 mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee. This deed, duly executed and acknowledged, is made a public record as provided by law. Trustee appoints this trust when this deed, duly executed and acknowledged, may either deed of trust or of any action or proceeding in which grantor, trustee or beneficiary is a party.

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.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully the owner of the real property and has a valid, unencumbered title thereto

and that the grantor will warrant and forever defend the same against all persons whomsoever,

and that the grantor will warrant and forever defend the same against all persons whomsoever.

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, inure to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, assigns, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgees, of the contract.

personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner of the trust, whether or not named as a beneficiary herein.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and to individuals.

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first above written.

IN-WITNESS WHEREOF, the grantor has executed this instrument the day and

* **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, so each 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-Nott Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Washington) ss.
June 11, 1996

This instrument was acknowledged before me on _____
 Kevin B. McDonald _____, 19____

This instrument was acknowledged before me on _____

26479
VCCON
OFFICIAL SEAL
KATHLEEN R. WEINSTEIN
NOTARY PUBLIC - OREGON
COMMISSION NO. 033492
MY COMMISSION EXPIRES APR. 03, 1998

[Signature]
Notary Public for Oregon
April 3, 1998

STATE OF OREGON: COUNTY OF KLAMATH: SS. the 21st day

Filed for record at request of Klamath County title PM. and duly recorded in Vol. M96
APR 10 1996 3:18 o'clock 1996

of June A.D. 19 1900 on Page 1800
of Mortgages Bernetha G. Letsch, County Clerk

By Henry [Signature]

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