28085

DEED OF TRUST WITH ASSIGNMENT OF RENTS

Vol. M96 Page 35380

GRANTOR(S): ACCOUNT NUMBER 795704470

LAST NAME	FIRST	INITIAL	SPOUSE'S NAME
OZIAS,	ARTHUR	J.	NANCY RUTH

MAILING ADDRESS	STREET	CITY	STATE	ZIP
PO Box 83,	Crescent, OR 97733			

RETUTN TO: BENEFICIARY AVCO FINANCIAL SERVICES OF OREGON, INC.
20370 Empire Ave. #C5
Bend, OREGON

THIS DEED OF TRUST, made this 6th day of November, 19 96, between Arthur J. Ozias and Nancy Ruth Ozias, as GRANTOR whose address is stated above, Klamath Co. Title Co., an Oregon Corporation, as Trustee, and AVCO FINANCIAL SERVICES OF OREGON, INC. as BENEFICIARY.

WITNESSETH: That Grantor GRANTS, BARGAINS, SELLS, CONVEYS AND WARRANTS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the following described property, situated in Klamath County, State of Oregon, which said described real property is not currently used for agricultural, timber or grazing purposes.

See Exhibit "A" for legal description

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Together with all buildings and improvements now or hereafter erected thereon and heating, lighting, plumbing, gas, electric, ventilating, refrigerating and air-conditioning equipment used in connection therewith, all of which, for the purpose of this Deed of Trust, shall be deemed fixtures and subject to the property above described, all of which is referred to hereinafter as the "premises".

TO HAVE AND TO HOLD said land and premises, with all the rights, privileges and appurtenances thereto belonging to trustee and his heirs, executors, administrators, successors and assigns, upon the trusts and for the uses and purposes following, and none other.

Grantor also assigns to Beneficiary all rents, issues and profits of said premises, granting the right to collect and use the same, with or without taking possession of the premises, during continuance of default hereunder, and during continuance of such default authorizing Beneficiary to enter upon said premises and/or to collect and enforce the same without regard to adequacy of any security for the indebtedness hereby secured by any lawful means.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Grantor contained herein; (2) Payment of the principal sum with interest as provided in accordance with the terms and provisions of a Promissory Note/Loan Agreement (hereafter referred to as "Promissory Note") dated Nov. 6, 1996, and having the date of its final payment due on Nov. 20, 2006, or as extended, deferred or rescheduled by renewal or refinance herewith executed by Grantor and payable to the order of Beneficiary, to which Promissory Note reference is hereby made; (3) Payment of any additional advances in a principal sum not exceeding, and this Deed Of Trust shall not secure more than, the aggregate sum of $ 23,940.75, with interest thereon, as may be hereafter loaned by Beneficiary to Grantor, or any of them, with interest thereon. This paragraph shall not constitute a commitment to make additional loans in any amount; (4) The payment of any money that may be advanced by the Beneficiary to Grantor or to third parties, with interest thereon, where the amounts are advanced to protect the security in accordance with the covenants of this Deed of Trust.

All payments made by Grantor(s) on the obligation secured by this Deed of Trust shall be applied in the following order:
FIRST: To the payment of taxes and assessments that may be levied and assessed against said premises, insurance premiums, repairs, and all other charges and expenses agreed to be paid by the Grantor(s).
SECOND: To the payment of interest due on said loan. THIRD: To the payment of principal.

TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND AGREES: (1) To keep said premises insured against fire and such other casualties as the Beneficiary may specify, up to the full value of all improvements for the protection of Beneficiary in such manner, in such amounts and in such companies as Beneficiary may from time to time approve, and to keep the policies therefor, properly endorsed, on deposit with Beneficiary; and that loss proceeds (less expenses of collection) shall, at Beneficiary's option, be applied on said indebtedness, whether due or not, or to the restoration of said improvements. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of Foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale. (2) To pay all taxes and special assessments of any kind that have been or may be levied upon said premises, or any part thereof, or upon the debt secured hereby, or upon the interest of Beneficiary in said premises or in said debt, and procure and deliver to Beneficiary ten (10) days before the day fixed by law for the first interest or penalty to accrue thereon, the official receipt of the proper officer showing payment of all such taxes and assessments. (3) In the event of default by Grantor(s) under Paragraphs 1 or 2 above, Beneficiary, at its option (whether electing to declare the whole indebtedness secured hereby due and collectible or not), may (a) effect the insurance above provided for and pay the reasonable premiums and charges therefor; (b) pay all said taxes and assessments without determining the validity thereof; and (c) such disbursements shall be deemed a part of the indebtedness secured by this Deed of Trust and shall be immediately due and payable by Grantor(s) to Beneficiary. (4) To pay when due any lien on the property which is senior to the lien of Beneficiary and, notwithstanding any right or option granted by any senior lien or by any senior lienholder, Grantor will not permit the principal balance of any senior lien to increase above the balance at the time of the making of this Deed of Trust until this Deed of Trust shall have been paid in full. (5) To keep the buildings and other improvements now existing or hereafter erected in good condition and repair, not to commit or suffer any waste or any use of said premises contrary to restrictions of record or contrary to laws, ordinances or regulations of proper public authority, and to permit Beneficiary to enter at all reasonable times for the purpose of inspecting the premises, to complete within one hundred eighty days or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon, and to pay, when due, all claims for labor performed and materials furnished therefor; (6) If a signer of the Promissory Note, that he will pay, promptly the indebtedness secured hereby, in full compliance with the terms of said Promissory Note and this Deed of Trust, and that the time of payment of the indebtedness hereby secured, or of any portion thereof, may be extended or renewed and any portion of the premises herein described may, without notice, be released from the lien hereof, without releasing or affecting the personal liability of any person for the payment of said indebtedness or the lien of this instrument upon the remainder of said premises for the full amount of said indebtedness then remaining unpaid, and no change in the ownership of said premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created. (7) That he is seized of the premises in fee simple and has good and lawful right to convey the same; (8) and that he does hereby forever warrant and will forever defend the title and possession thereof against the lawful claims of any and all persons whatsoever.

IT IS MUTUALLY AGREED THAT: (1) If the said Grantor(s) shall fail or neglect to pay installments on said Promissory Note as the same may hereafter become due, or upon default in the performance of any agreement hereunder, including causing or permitting the principal balance of any senior lien to increase above the principal balance at the time of the making of this Deed of Trust or, subject to paragraph (14) hereof, upon sale or other disposition of the premises by Grantor(s), or should any action or proceeding be filed in any court to enforce any lien on, claim against or interest in the premises, then all sums owing by the Grantor(s) to the Beneficiary under this Deed of Trust or under the Promissory Note secured hereby shall immediately become due and payable at the option of the Beneficiary on the application of the Beneficiary or assignee, or any other person who may be entitled to the monies due thereon. In the event of such default, Beneficiary may execute or cause Trustee to execute a written Notice of Default and of Election To Cause Said Property To Be Sold to satisfy the obligation hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the Promissory Note and all documents evidencing expenditures secured hereby, whereupon Trustee shall fix the time and place of sale and give notice thereof as required by law.

(2) Whenever all or a portion of any obligation secured by this Trust Deed has become due by reason of a default of any part of that obligation, including taxes, assessments, premiums for insurance or advances made by a Beneficiary in accordance with the terms of the Trust Deed, the Grantor or his successor in interest in the trust property, or any part of it; any Beneficiary under a subordinate Trust Deed or any person having a subordinate lien or encumbrance of record on the property, at any time prior to the time and date set by the Trustee for the Trustee's sale if the power of sale therein is to be exercised, may pay to the Beneficiary or his successor 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 obligations and Trustee's and Attorney's fees actually incurred, if allowed by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default. After payment of this amount, all proceedings had or instituted to foreclose the Trust Deed shall be dismissed or discontinued, and the obligations and Trust Deed shall be reinstated and shall remain in force the same as if no acceleration had occurred.

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36-0555 (REV. 10-89) OR

(3) After the lapse of such time as may then be required by law following the recordation of said Notice of Default, and Notice of Default and Notice of Sale having been given as then required by law, Trustee, without demand on Grantor(s), shall sell said property on the date and at the time and place designated in said Notice of Sale, at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The person conducting the sale may, for any cause he deems expedient, postpone the sale from time to time until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than one day beyond the day designated in the Notice of Sale, notice thereof shall be given in the same manner as the original Notice of Sale. Trustee shall execute and deliver to the purchaser its Deed conveying said property so sold, but without any covenant of warranty, express or implied. The recitals in the Deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale.

Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and Attorney's fees; (2) cost of any evidence of title procured in connection with such sale and revenue stamps on Trustee's Deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest at the highest rate allowed by law; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the County Clerk of the County in which the sale took place.

(4) Grantor(s) agrees to surrender possession of the hereinabove described premises to the Purchaser at the aforesaid sale, in the event such possession has not previously been surrendered by Grantor(s).

(5) Beneficiary may appoint a successor trustee at any time by filing for record in the office of the County Recorder of each county in which said property or some part thereof is situated, a Substitution of Trustee. From the time the substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of the Trustee named herein or of any successor Trustee. Each such substitution shall be executed and acknowledged, and notice thereof shall be given and proof thereof made, in the manner provided by law.

(6) Upon payment in full by said Grantor(s) of his indebtedness hereunder, Trustee shall reconvey to said Trustor(s) the above-described premises according to law.

(7) Should said property or any part thereof be taken by reason of any public improvement or condemnation proceeding, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor.

(8) Notwithstanding anything in this Deed of Trust or the Promissory Note secured hereby to the contrary, neither this Deed of Trust nor said Promissory Note shall be deemed to impose on the Grantor(s) any obligation of payment, except to the extent that the same may be legally enforceable; and any provision to the contrary shall be of no force or effect.

(9) All Grantors shall be jointly and severally liable for fulfillment of their covenants and agreements herein contained, and all provisions of this Deed of Trust shall inure to and be binding upon the heirs, executors, administrators, successors, grantees, lessees and assigns of the parties hereto respectively. Any reference in this Deed of Trust of the singular shall be construed as plural where appropriate.

(10) Invalidity or unenforceability of any provisions herein shall not affect the validity and enforceability of any other provisions.

(11) Trustee accepts this Trust when this Deed of Trust, 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(s), Beneficiary, or Trustee shall be a party, unless brought by Trustee.

(12) If any Debtor is a married person, he represents and warrants that this instrument has been executed on his behalf, and that he has not executed the same as surety for another.

(13) The undersigned Grantor(s) requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address hereinbefore set forth.

(14) In the event the Granto(s) transfer(s) the ownership of the said premises, or any part thereof, the entire unpaid balance of the debt secured hereby shall immediately become due and payable at the option of Beneficiary; however, Beneficiary may permit an assumption of Grantor's obligations by a party satisfactory to Beneficiary.

(15) Any wording in this Trust Deed providing for the recovery by the Beneficiary of attorney's fees and costs notwithstanding, the Beneficiary or Trustee shall not be entitled to recover collection expenses of any kind, including, but not limited to Trustee fees and attorney's fees, except as the same maybe allowed by the Oregon Consumer Finance Act or other applicable law.

IN WITNESS WHEREOF the said Grantor has to these presents set hand and seal this date November 6, 1996.

Signed sealed and delivered in the presence of:

Witness — Grantor-Borrower Arthur J. Ozias (SEAL)

Witness — Grantor-Borrower Nancy Ruth Ozias (SEAL)

County of Deschutes

On this 6th day of November, 19 96, Personally appeared the above named Aruth J. Ozias and Nancy Ruth Ozias and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me: (SEAL) Notary Public for Oregon My Commission Expires 4/27/99

OFFICIAL SEAL
LINDA LEE TAPSCOTT
NOTARY PUBLIC-OREGON
COMMISSION NO. A 042080
MY COMMISSION EXPIRES APRIL 27, 1999

TO TRUSTEE: REQUEST FOR FULL RECONVEYANCE Dated

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by said Deed of Trust have been paid, and you are requested, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the name.

Mail Reconveyance to:

By

By

Do not lose or destroy. This Deed of Trust must be delivered to the Trustee for cancellation before reconveyance will be made.

TRUST DEED

Grantor

Beneficiary

STATE OF OREGON,
County of
I certify that the within instrument was received for record on the day of 19, at o'clock M, and recorded in book on page Record of Mortgage of said County.
Witness my hand and seal of County affixed.

Title

By Deputy

35382

EXHIBIT "A"

DESCRIPTION OF PROPERTY

The following described real property situate in Klamath County, Oregon.

A parcel of land situate in the SW¼ of the SE¼ of Section 36, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point, a #5 steel rod set along the C/4 line of said Section 36 at the Northwest corner of Riddle Acres Subdivision, from which the S/4 corner of Section 36 bears South 00 degrees 26'27" West 563.00 feet (South 00 degrees 32'00" West as shown on the plat of Riddle Acres); thence continuing along the C/4 Section line, North 00 degrees 26'27" East 318.76 feet to a #5 x 48" plastic capped steel rod; thence along a line parallel with the North line of Riddle Acres, South 89 degrees 21' 15" East 335.7 feet to a #5 x 48" plastic capped steel rod; thence along a line parallel with the C/4 Section line South 00 degrees 26'27" West 288.8 feet to a #5 x 48" plastic capped steel rod; thence along a line parallel with the North line of Riddle Acres, South 89 degrees 21'15" East 174.3 feet to a #5 x 48" plastic capped steel rod; thence along a line parallel with the C/4 Section line, South 00 degrees 26'27" West 30.0 feet to a #5 x 30" plastic capped steel rod on the North line of Riddle Acres; thence along the North line of Riddle Acres, North 89 degrees 21' 15" West 510.0 feet to the point of beginning, as shown on that certain plat of July 1982 made by Raymond E. Oman, PLS and on file in the records of Klamath County Surveyor.

The following easement is appurtenant to the above described property and is not insured hereunder, but should be a part of the forth comming conveyance.

Together with a easement for ingress and egress over the Westerly 20 feet of Lot 1 Block 1 of Riddles Acres, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, as described in deed recorded November 12, 1993, in Volume M93 page 29857, Deed records of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title of November A.D., 19 96 at 3:07 o'clock P.M., and duly recorded in Vol. M96, of Mortgages on Page 35380.

the 8th day

FEE $20.00

Bernetha G. Letsch, County Clerk

By Kathleen Ross