

AFTER RECORDING
PLEASE RETURN TO:
STATEWIDE MORTGAGE
500 RIVERHILLS BUSINESS PARK
SUITE 590
BIRMINGHAM, AL 35242

32075

TRUST DEED

Vol. 1797 Page 2803
RATCLIFF GLEN
70302085

THIS TRUST DEED, made this 18 day of October, 1996, between Glen P. Ratcliff & Patricia L. Ratcliff as Grantor, whose address is 1511 Lakeview Ave., Husband and Wife, City of Klamath Falls, 97601, County of Klamath, State of Oregon, and Klamath Falls Title Company, as Trustee, whose address is 422 Main St., City of Klamath Falls, 97601, State of Oregon; and Gibraltar, Inc., as Beneficiary, whose address is 33919 9th Ave. S. Suite 1, City of Federal Way, 98003, State of Washington.

WITNESSETH:

That Grantor hereby irrevocably grants, bargains, sells and conveys to Trustee in trust, with power of sale, the following described property, situated in the County of Klamath, State of Oregon, and hereinafter referred to as the Property:

Lot 8 and the South 25 feet of Lot 9 in Block 7 of FAIRVIEW ADDITION NO. 2, 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

which Property is not used currently for agricultural, farming, timber or grazing purposes, together with all buildings, fixtures and improvements thereon, and all water rights, rights of way, easements, rents, issues, profits, income, tenements, hereditaments, privileges and appurtenances thereunto belonging, now or hereafter used or enjoyed with the Property, or any part thereof (subject, however, to the right, power and authority herein given to and conferred on Beneficiary to collect and apply such rents, issues and profits):

For the purpose of securing (1) payment of the indebtedness and all other lawful charges evidenced by an FHA Title I Property Improvement Loan/Retail Installment Contract ("Contract") of even date herewith, under which the amount financed is Fifteen Thousand Nine Hundred Five Dollars and 90/100 *****DOLLARS (\$15,905.90), made by Grantor payable to the order of Beneficiary at all times, in the manner and with interest as therein set forth, and any extensions and/or renewals or modifications thereof; (2) the performance of each agreement of Grantor herein contained; and (3) the payment of all sums expended or advanced by Beneficiary under or pursuant to the terms hereof, together with interest thereon as herein provided.

To protect the security of this Trust Deed, Grantor covenants and agrees to the following:

1. 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, to comply with all laws, regulations, covenants and restrictions affecting the Property; not to commit or permit waste thereof, not to commit, suffer or permit any act on the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general. If the Contract or any part thereof is being obtained for the purpose of financing improvements to the Property, Grantor further agrees (a) to commence construction of said improvements promptly and to pursue the same with reasonable diligence to completion, and (b) to allow Beneficiary to inspect the Property at all times during construction. However, Beneficiary shall have no duty to inspect or approve such improvements.
2. To provide and maintain insurance against loss by fire and other casualties in an amount and for such term as Beneficiary may require, and with loss payable clauses in favor of Beneficiary. In the event of loss or damage, Grantor shall give immediate notice to Beneficiary. Beneficiary may make proof of loss and settle and adjust all claims thereunder, applying the proceeds at its option to reduction of the amount due hereunder or to the restoration or repair of the property damaged. Payments of such loss shall be made directly to Beneficiary. In the event of the refusal or neglect of Grantor to provide insurance or to maintain the same or to renew the same in manner satisfactory to Beneficiary, then Beneficiary may itself procure and maintain such insurance and charge the cost thereof to Grantor under the provisions of paragraph 4 hereof.
3. To appear in and defend any action or proceeding purporting to affect the security hereof, the title to the Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum, incurred by Beneficiary or Trustee.
4. To pay at least ten (10) days before delinquency all taxes, assessments and payments under any other mortgage, deed of trust, real estate contract or encumbrance affecting the Property, to keep the Property free and clear of all other encumbrances, charges and liens impairing the security of this Trust Deed and to pay all costs, fees and expenses of this trust. Should Grantor fail to pay when due any taxes, assessments, insurance premiums, liens, encumbrances or other charges against the Property hereinabove described, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Contract secured hereby, shall be added to and become a part of the debt secured by this Trust Deed.
5. To pay all costs, fees and expenses in connection with this Trust Deed, including the expense of the Trustee incurred in enforcing the obligation secured hereby and Trustee's fees and attorneys' fees incurred by Beneficiary.
6. Not to voluntarily transfer or agree to transfer the Property; any part thereof or any interest therein, or any transfer of a beneficial interest in Grantor (if Grantor is not a natural person), without first obtaining the prior written consent of Beneficiary, which consent Beneficiary may grant or withhold in its sole discretion. Any such transfer, if Beneficiary shall not so consent, shall constitute a breach of Grantor's agreement and a default under the terms hereof and the Contract. "Transfer" includes, without limitation, sales under a land sale contract, assumptions of this Trust Deed, and transfers by operation of law.

It is mutually agreed that:

7. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award for such portion thereof as may be necessary to fully satisfy the obligation secured hereby, shall be paid to Beneficiary to be applied to said obligation.
8. The Trustee shall reconvey all or any part of the Property to the person entitled thereto on written request of the Grantor and Beneficiary, or upon satisfaction of the obligation secured and written request for reconveyance made by Beneficiary or the person entitled thereto.
9. Upon default by Grantor in the payment of any indebtedness secured hereby or in the performance of any agreement contained herein, all sums secured hereby may immediately become due and payable at the option of Beneficiary as provided in the Contract. In such event and upon written request of Beneficiary, Trustee or its authorized agent shall sell the Property, in accordance with the statutes of the State of Oregon, at public auction to the highest bidder. Any person except Trustee may bid at such Trustee's sale. Trustee shall apply the proceeds of the sale as provided by law.
10. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the Property. The Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Trust Deed, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.
11. The power of sale conferred by this Trust Deed and by the statutes of the State of Oregon is not an exclusive remedy; Beneficiary may cause this Trust Deed to be foreclosed as a mortgage.
12. The failure on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right, nor shall the acceptance of payment of any sum secured hereby operate as a waiver of the right to require prompt payment of all other sums, and the waiver by Beneficiary of any default shall not constitute a waiver of any other or subsequent default.
13. If Grantor applies to Beneficiary for consent to transfer the Property in the manner described in paragraph 6 above, then Beneficiary can consider the prospective transferee as a new applicant for financing, taking into consideration all factors which it deems necessary to protect its security. As a condition of its consent to transfer, Beneficiary may, in its discretion, impose an assumption fee in accordance with a schedule then in effect, and may increase the interest rate of the remaining indebtedness to the prevailing rate for similar contracts at that time. Beneficiary may then increase the amount of each installment so that the Contract will be fully paid by the original maturity date. If Beneficiary consents to a transfer, that consent does not constitute a waiver of this section regarding subsequent transfers. Following a consent to transfer, Beneficiary may consent to modify other terms of this Trust Deed and the Contract.
14. For any reason permitted by law, Beneficiary may at any time appoint or cause to be appointed a successor Trustee who shall succeed to all the title, power, duties and authority of the Trustee named herein or any successor Trustee.

15. This Trust Deed shall apply to, inure to the benefit of and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including any assignee, of the Contract. In this Trust Deed, whenever the text so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

16. This Trust Deed shall be construed according to the laws of the State of Oregon.
17. The Grantor covenants and agrees to and with Beneficiary that he is lawfully seized with the fee simple to the Property and has a valid unencumbered title, except as otherwise disclosed to Beneficiary in writing, and that Grantor will warrant and forever defend said title against all persons whomsoever.

IN WITNESS WHEREOF, the Grantor has caused these presents to be executed this 18th day of October, 1996

Witness _____
Witness _____
Witness _____
Grantor Glen D. Ratcliff
Patricia L. Ratcliff

STATE OF OREGON }
County of KLAMATH } SS.

Personally appeared the above named Glen D. Ratcliff & Patricia L. Ratcliff and acknowledged the foregoing instrument to be their voluntary act and deed.
Before me [Signature] My commission expires: Feb 09, 1999
Notary Public WA

STATE OF OREGON }
County of KLAMATH } SS.
For value received, GIBRALTER, INC. Beneficiary herein, does hereby transfer, assign and set over to Statewide Mortgage Company the within Trust Deed and the indebtedness secured thereby.
This 23 day of Oct., 1996.
[Signature] Gibralter, Inc.

STATE OF OREGON }
County of KLAMATH } SS.
On this day before me appeared before me [Signature] known to me to be the individual(s) Tom Pitzer of the corporation/partnership FINANCING MGR.
[delete inappropriate option] that executed the foregoing instrument and acknowledge such execution to be the free and voluntary act and deed of said person for the uses and purposes described in it [delete the following if inappropriate] and stated on oath that (s)he was authorized to execute it on behalf of the corporation/partnership.
Before me: [Signature] My commission expires: 4-2-2001
Notary Public

TRUST DEED	
Grantor	STATE OF OREGON } County of <u>Klamath</u> } SS.
TO	I certify that the within instrument was received for record on the <u>30th</u> day of <u>January</u> , 19 <u>97</u> , at <u>2:28</u> clock P.M., and recorded in book <u>M97</u> on page <u>2803</u> Record of Mortgages of said County.
Beneficiary	Witness my hand and seal of County affixed.
AFTER RECORDING RETURN TO: <u>over</u>	
County Clerk Recorder: <u>Bernetha G. Letsch</u> Deputy: <u>Kathleen Ross</u>	
Fee: \$15.00	