

## TRUST DEED

JOHN J. REINAS

Beneficiary's Name and Address

JACK DAVIS

Beneficiary's Name and Address

After recording return to (Name, Address, Zip)

ASPEN TITLE &amp; ESCROW, INC.

525 MAIN STREET

KLAMATH FALLS, OR 97601

THIS TRUST DEED, made this 3rd day of April,

JOHN J. REINAS

ASPEN TITLE &amp; ESCROW, INC.

JACK DAVIS

WITNESSETH:

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:  
 The West 3 feet of Lot 11 and All of Lot 30, NE1/4 DIVISION 10 TRACTS B & C,  
 FRONTIER TRACTS, in the County of Klamath, State of Oregon.

CODE 78 MAP 3606-91A TL #201

THIS TRUST DEED IS JUNIOR AND SUBORDINATE TO A TRUST DEED IN FAVOR OF JACK DAVIS DATED APRIL 3, 1997.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter pertaining, and the rents, issues and profits thereof and all liens now or hereafter attached to or used in connection with the property, BEING RECORDED TO CORRECT AMOUNT ON TRUST DEED  
 FIVE FOR THE PURPOSE OF SECURING PERFORMANCE of an agreement of grantor herein contained and payment of the sum of \$5,000.00

Debt, 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 June 4, 1997.

The date of maturity of the debt secured by this instrument is the date stated above, on which the final installment of the debt 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 in all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, as herein, shall become immediately due and payable. The execution by grantor of an express 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 improvement 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 therewith.
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 statement 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 \$1insurable value written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary 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 procure 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 hereunder 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 payment, 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 herein and for such payments, with interest as aforesaid, the property heretofore 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 non-payment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable 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 and attorney'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 or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney fees; the amount of attorney 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 attorney 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, beneficiary 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 do business in this state, or a title agent established in its business under the laws of Oregon or the United States, or an agency thereof, or an escrow agent licensed under ORS 585.550 to 585.565.

WARNING: ORS 103.430 requires that any printed copy of this document be signed by the parties.

The publisher suggests that each party to this instrument read the terms of this instrument in complete detail.

which are in excess of the amount required to pay all reasonable costs and expenses incurred by the plaintiff, less necessarily paid or incurred by the defendant, shall be paid to Plaintiff, and upon any reasonable costs and expenses and attorney's fees, paid in the trial and appellate courts, necessary and incurred by Plaintiff, he has an attorney, and the balance retained by the Plaintiff, less expenses incurred by Plaintiff, and greater against its own expenses, for like costs, actions and services, as well as instruments, as shall be necessary or convenient, compensation, promptly upon his/her request.

At any time and from time to time upon written request of lessee, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance), without losing 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 thereon; (d) reconvey, without warrant, 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 tenure, duration of any interest in such shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, 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 upon and take possession of the property or any part thereof, in its own name or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, then being of the trustee with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary may elect 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. If the trustee fails 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 file the notice and place of sale in the office of the recorder of deeds of the county and give notice thereof as then required by law and proceed to foreclose this trust deed as the trustee provided in ORS 91.716-937.908.

to foreclose the trust deed in the manner provided in ORS 85.753 to 85.793.

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 85.753, 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, either through 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 electing 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 and the expenses created by law.

the conveyance or the trustee together with trustees' and attorney's fees  
14. Otherwise, the sale shall be held on the date and at the time set  
the sale may be postponed as provided by law. The trustee may sell the property in  
the parcel or parcels of location to the highest bidder for cash, payable in  
form as required by law, conveying the property so sold, but without any  
deed of any kind or nature shall be conclusive proof of the transfer unless  
the documents provided by law  
place designated in the notice of sale or the time to which  
property offered in the parcel or in separate parcels and shall sell  
the time of sale. Trustee shall deliver to the purchaser the deed  
or instrument of warranty, express or implied. The recorder in the  
grantor and beneficiary, may purchase at the sale.

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 incurred by the trust deed to all persons having recorded liens subservient to the interest of the trustee in the trust deed as their interests may appear in the order of their priority set forth in the instrument.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the succeeded trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed; provided, that such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded, in the marriage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment.

properly situated, shall be conclusive proof of proper appointment of such  
trustee, unless this affidavit is made when this deed, duly executed and acknowledged, is  
transferred, or unless it is made before the date of transfer, and is recorded in the office of the recorder  
of deeds, or in a public record as provided by law.

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 successors in interest that the grantor is lawfully entitled in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in an addendum or exhibit attached hereto, and that the grantee will warrant and forever defend the same against all persons whomsoever.

**WARNING:** Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

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 *Line Item Note*, below).

(b) *privately for another's personal, family or household purposes (see Important Notice below),*  
*for an organization, or (even if grantee is a natural person) for business or commercial purposes.*

*This deed applies to, insures to the benefit of and binds all parties hereto; their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.*

In construing this trust deed, it is understood that the grantee, trustee and/or beneficiary may each be more than one person; that if 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.

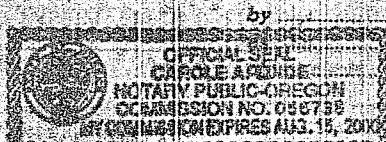
\***IMPORTANT NOTICE:** Seller, by filing out, whichever warranty (s) or (t) is not applicable, I warrant (e) is applicable and the beneficiary is (t) condition as such word is defined in the Truth-in-Lending Act and Regulation Z. The beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Standard Form No. 1319, or equivalent. If compliance with this Act is not required, disregard this notice.

JOHN B. REYNOLDS

STATE OF OREGON County of Klamath

This instrument was acknowledged before me on April  
by JOHN P. REINAS.

This instrument was acknowledged before me this day



*Young People for Oregon. My community service*

STATE OF OREGON: COUNTY OF CLACKAMAS

Filed for record at request of ANNE L. A.D. 19-97 11-20-1947

1960-1961

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STATE OF OREGON: COUNTY OF Klamath ss.

Filed for record in request of Aspen, Ticie A. Factor  
on June A.D. 19 97 at 10:37 o'clock  
of Notary Public  
RE: 615-00 Re-record

the 4th day  
A.M. and duly recorded in Vol. M97  
on Page 17015

Samuel J. Leitch County Clerk