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THIS TRUST DEED, made this 7TH day of June, 1997 between Thomas D. Dumont & College M. Dumont ... Tenants by Entirely , as Grantin, AmeriTitle, as Trustes, and Flurning Y Resort, Inc., an Gregon Corporation, as Beneficiary.

## WITNESSETH:

Grantor mevocably grants, bargains, sets and convens to Thistee in trust with power of sale, the property in Klamath County, Oregon, described as: Let 107 of Running Y Recort; Phase Phase 2 Plat, recorded in Klamath County, Cregon.

Together with all and singular the tenements, hereditaments and appurtenances and all lither 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 said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each spreenient of granter herein contained and payment of the sum of \$58,610.00, FIRY Stat Thousand Six Hundred Ten And No/100's Dollars with interest theireon according to the terms of a promissory note of even date herewith, payable to be refer any or order and made by granter, the final payment of principal and interest hereof, if not sooner paid, to be due and payable 15 years

The date of matrity of the date secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the granter within this traving obtained the written consent or approval of the benificiary, then, at the beneficiary's option, all obligations secured by this instrument, inespictive of the maturity dates expressed therein, or herein, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

To protect the security of this trust deed, grantor agrees:

To protect, preserve and maintain said property in good condition and repair; not to remove or demolish any building or improvement thereon; not
to commit or permit any waste of said property.

 To complete or restore promptly and in good and workmanike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefore.

3. To comply with all laws, ordinances, regulations, coversarts, conditions find restrictions affecting said 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.

hereunder or invalidate any act done pursuant to such notice.

5. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said properly 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 find become a part of the debt secured by this trust deed, without walver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as afcressald, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for this 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 payable and constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust including the cost of titls 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 feet 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 this each, to pay all costs and expenses, including evidence of this each this 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 egrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said 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, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings; and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, 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 plat of said property; (b) join in granting any easement or creating any restrictions 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. 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 sald property or any pair thereof, in its own name sue 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.

11. The entering upon and taking passession of said property, the collection of such rents, insues and profits, or the proceeds of fire and other insurance policies or configuration or events for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

Thuses D. Dusont
Coller M. Dusont
B73 Cypress Pt 1p
Ashland, Ol. 97520
Gisanto
Running T besett, inc.
5391 Running Y Read
Klassath Falls OR 97601
Binneticiary

TRUST DEFD

SPACE RESERVE: FOR RECORDERS USI STATE OF CREGON

COUNTY Of Klassath

I certify that the within instrument was received for record on the day of the decired for recorded in book/reel/volume No... on page of as fee/file/instrument/nicrofilm/ reception Ms... Record of Mortgages of said county.

Witness my hand and seal of County affixed.

Name Title

By ... Desuty

- 12. Upon default by granter in payment of any indictionable payment heappy of in his particular, or any agreement hereunder, the beneficiary may declare as surpressionable the surpression of the local payment in the loc hereby where year the trustee shall for the time and place of sale, the notice the ent as then required by law and proceed to foreclose this trust dead in the mariner purvided in ORG88.735 to 86:795.
- 13. When the trustee has commenced foreclosure by advinterment and side; and at any time prior to 5 days before the date the trustee conducts the sate, the granter or any other parson so privileged by CRS86.763, may cure the default or default consists of a failure to pay, when due, eums, secured by the trust deed, the default may be cored by paying that entire amount one at the time of the cure other than such portion as would not then be due had no details occurred. Any other default that is canable of being cured mily be cured by tendering the performance required uncler 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 as costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustees 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 said sale may be postponed as provided by law. The trustes may sell property elither in one parcel or a 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 coverant or warranty, express or implied. The recitate in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee; but including 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 (i) 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 his successor in interest entitled to such surplus.
- 16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hareunder. Upon such appointment, and without conveyance 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 montgage records of the country or countles in which the property is situated, shall be conclusive proof of proper eppointment of the successor trusted.
- 17. Trutitee 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 dead 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 trustien.
- The granter covenants and agrees to and with the beachiclary and beneficiary's successor in interest that the grantee is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto subject to covenants, conditions, restrictions and essements of record and that he will wurrant and forever defend the name ageinst all persons whoms sevir.

The granter warrants that the proceeds of the loan represented by the above described note and this trust deed are:

(a) "printarily for grantor's personal, family or household purposes,

of

FEE \$15.00

Mortgages

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to inutes to the benefit of and birds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the hotter and owner, including piedges, of the contract secured hereby, whether or not named as a beneficiary herein. In construing this trust deed, it is understood that the granter, 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.

You have the option to cancel your contractor agreement of easily / notice to the Seller until midnight of the seventh day following the signing of the contract or agreement. If you did not receive a Property Report prepared pursuant to the rules and regulations of the Office of Interestate Land Sales Registration, U.S. Department of Housing and United Development, in advance of your signing the contract of agreement, the contract or agreement of sale may be canceled at your option for two years from the date of signing.

IN WITHESS WHEREOF, said grandor has hereunto ust his hand the day and yest first above wraten "IMPORTART NCITICE: Deleta by lining out, whichever warninly (a) or (b) is not applicable; if warranty (e) is applicable and be inficiary is a creditor as a polyword is defined in the Truth-in-Lending Act and Thomas O. Dumoni Regulation 2, the baneficiary MUST comply with the Act and Regulation by making required disclosurie; for this purces use Stevens-Reas Fram No. 1319, or equivalent. If compliance with the Calleen M. Dumont Act is not required, disregard this notice. INDIVIDUAL ACKNOWLEDGEMENT STATE OF OREGON, 183 County of Klamath... This instrument was acknowledged before me on Nutary Public for O 9555695695955556 Jure 7TH, 1997, by Thomas D. Dumont & Colleen M. Dumont OFFICIAL SEAL MARY A. IRELAND NOTARY PUBLIC OREGON
ON MASSION NO. 056601
IN COMMISSION FOR RESEARCH 51**50**5050555555555555555 CORPORATE ACKNOWLEDGEMENT This instrument was acknowledged before the on June 77H, 1997, by Notary Public for Oregon errorem property in the contract of the contra STATE OF OREGON: COUNTY OF KLAMATH: 55. 20th Amerititle AID: 19 97 at 9:4 at M., and duly recorded in Vol. M. Z Filed for record at request of . June on Page . 19061

Do not lose or identroy, this Trust Deed Oit THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

Bernetha G. Letsch, County Clerk

arklun