

NS

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'98 SEP -3 A11:24

Vol. 1198 Page

32474

TRUST DEED

Grantor's Name and Address

SPACE RESERVED
FOR
RECORDER'S USE

Beneficiary's Name and Address

After recording, return to (Name, Address, Zip):

DENNIS PEUGH
824 Pine Street
Klamath Falls, OR 97601

STATE OF OREGON.

County of _____ } ss.

I certify that the within instrument
was received for record on the _____ day
of _____, 19____, at
_____ o'clock _____ M., and recorded in
book/reel/volume No. _____ on page
_____ and/or as fee/file/instru-
ment/microfilm/reception No. _____
Record of _____ of said County.Witness my hand and seal of County
affixed.

NAME

TITLE

By _____ Deputy.

THIS TRUST DEED, made this 1st day of SEPTEMBER, 1998, between
DONNA GRACE RASDAL, as Grantor,FIRST AMERICAN TITLE COMPANY OF OREGON, as Trustee, and
SHARON D. SIMMONS, GLEN T. PEUGH, CARL J. PEUGH and ANDREA L. PEUGH EACH AS TO AN
UN DIVIDED 1/4 INTEREST or their heirs, as Beneficiary,

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 Easterly 108.9 feet of Tract No. 46 Homedale, according to the official plat
thereof on file in the office of the County Clerk of Klamath County, Oregon

CODE 41 3909 11AC TAX LOT 2500

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 SIXTEEN THOUSAND AND NO/100 (\$16,000.00) 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 in accordance with the terms of the Note attached as Exhibit 'A'The date of maturity of the 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 prop-
erty or 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, or herein, shall be-
come immediately due and payable. 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 \$ insurable value
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 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 ex-
penses, including evidence of title and the beneficiary's or trustee's attorney fees; the amount of attorney fees mentioned in this para-
graph 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 at 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, 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 696.565.

*WARNING: 12 USC 1701j-3 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.

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 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 plat 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 grantees 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 the property or any part 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 possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement hereunder, time being of the essence 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 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 foreclose this trust deed 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 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 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 any trustee named herein or to any successor trustee appointed hereunder. 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 mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

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 seized 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 grantor 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 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, inures 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.

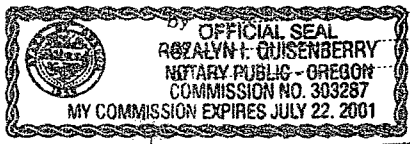
In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to 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: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor 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 Stevens-Noss Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on September 2, 1998 by Donna Grace Rasdal

This instrument was acknowledged before me on _____



Rosalyn I. Quisenberry
Notary Public for Oregon My commission expires 7-22-2001

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)
TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the terms of the trust deed the estate now held by you under the same. Mail reconveyance and documents to _____

DATED: _____, 19____
Do not lose or destroy this Trust Deed OR THE NOTE which it secures.
Both must be delivered to the trustee for cancellation before reconveyance will be made.
Beneficiary _____

PROMISSORY NOTE

32476

55ASE

\$ 16,000.00

Date September 1, 1998

FOR VALUE RECEIVED DONNA GRACE RASDAL (Maker)
 hereby promises to pay, in lawful money of the United States of America, to the order of SHARON D. SIMMONS,
 GLEN T. PEUGH, CARL J. PEUGH and ANDREA L. PEUGH each as to an undivided 1/4 Int. (Payee), **
 at ^{** or their survivors} KLAMATH FALLS OR or as directed
 the sum of SIXTEEN THOUSAND AND NO/100
 DOLLARS (\$ 16,000.00), together with simple interest thereon at 6.00 % per annum from
 SEPTEMBER 2 1998, until paid. Interest shall be calculated on a 365 day basis and
 the total principal and interest due hereunder shall be payable in ONE installments
 Payable by maker in the event that one of the following occur:
 The property located at 5178 Harlan Dr., Klamath Falls Oregon is sold or this note shall be
 due upon the death of Donna Grace Rasdal

SECURITY: This Promissory Note is secured by a Trust Deed of even date herewith, given to the Payee
 on the real property located 5178 Harlan Dr., Klamath Falls Oregon

PREPAYMENT: Maker may prepay this note, in whole, or in part, at any time, without penalty. No
 partial payment shall excuse the payment of installment next coming due.

~~**LATE CHARGE:** Maker shall pay a late charge equal to 5% if any installment which is not received by
 Payee or collecting agent within 45 days after installment is due.~~

DEFAULT: Maker Shall be deemed in default of this promissory note, without notice or demand, if
 Maker has failed to pay installment within thirty (30) days after its due date. Maker shall also be
 deemed in default hereof in the event of breach of any of the terms and conditions set forth in the
 security instrument, security agreement or other document which secures the obligation evidenced by
 this Note, subject to any notice provisions set forth therein. A default under the terms of any
 underlying security instrument, Land Sales Contract, Mortgage and/or Trust Deed on the subject
 property shall constitute a default under the terms of this promissory note. Upon default, Payee shall
 be entitled to exercise all those remedies provided herein, in the security instrument and agreement,
 together with any and all other legal remedies available to Payee. All remedies shall be cumulative.

ACCELERATION CLAUSE: Maker's default herein shall, at Payee's option and without notice or
 demand to Maker, render the entire principal balance, plus all accrued interest, late charges, default
 charges and other expenses due hereunder, immediately due and payable in full.

DEFAULT CHARGES: In the event of default under the terms of this promissory note or under the terms
 of any security instruments or agreements given in connection herewith, Maker shall pay all collection
 charges, attorney fees and expenses incurred by Payee, whether or not litigation is instituted hereon.
 In the event suit, action or other legal proceeding is brought to interpret or enforce the provisions of
 this note, Maker shall pay all of Payee's costs, disbursements, and litigation expenses, including
 Payee's reasonable attorney fees incurred in such suit, action, legal proceeding and any appeal
 therefrom.

ADVANCES FROM PAYEE: In the event Payee elects to pay any sum due from Maker to any third party
 pursuant to the terms of this Note, the security instrument, security agreement and/or any underlying
 Note, security instrument or contract, the sum so paid by Payee shall be immediately added the unpaid
 balance of this note and shall bear interest at the stated rate from the date of such payment. Payee's
 election to make one or more such advances shall not constitute a waiver of Payee's right to declare a
 default hereunder.

MISCELLANEOUS: In no event shall the interest collected hereunder exceed the maximum rate
 allowed by law. In the event any terms or provision of this Note, or any provision of the security
 instrument given in conjunction herewith, is found to be unenforceable or unlawful for any reason, the
 remainder shall be carried into effect as though the unenforceable portion was stricken herefrom. As
 the context requires, the singular includes the plural, the plural the singular and masculine includes
 the feminine and neuter. The obligation of all Makers named below is joint and several. All captions
 used herein are solely for convenience of reference and shall not affect the interpretation of this
 instrument.

The Maker, Endorsers and Guarantors hereto severally waive notice of acceptance, presentment for
 payment, demand, notice of demand, notice of non payment and notice of protest of this note. All
 such Makers, Endorsers and Guarantors hereby consent to any modification of the terms of this note,
 including any extension of the due date, without waiver of their liability hereon. No waiver of any
 default, nor any modification or waiver of any terms or conditions set forth herein shall constitute a
 waiver of any subsequent default nor shall it affect the liability of any Maker, Endorser or Guarantor
 hereto.

Maker:

x Donna Grace Rasdal x

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Dennis Peugh the 3rd day
of September A.D., 19 98 at 11:24 o'clock A.M., and duly recorded in Vol. M98
of Mortgages on Page 32474.

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Kathleen Rosa