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Vol M99 Page 31332

TRUST DEED

ARLIE J. AYERS and JUDY ANN AYERS

Grantor's Name and Address
INVESTORS MORTGAGE CO.SPACE RESERVED
FOR
RECORDER'S USEBeneficiary's Name and Address
After recording, return to (Name, Address, Zip):
INVESTORS MORTGAGE CO.
P O Box 515
Stayton, OR 97383State of Oregon, County of Klamath
Recorded 8/05/99, at 1:46 m
In Vol. M99 Page 31332
Linda Smith,
County Clerk Fee\$ 15⁰⁰ 50THIS TRUST DEED, made this 4TH day of AUGUST, 19 99, between
ARLIE J. AYERS and JUDY ANN AYERSSANTIAM ESCROW, INC., an Oregon corporation, as Grantor,
INVESTORS MORTGAGE CO., an Oregon corporation, as Trustee, and
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:
Lot 4, Block 1, SUBDIVISION OF BLOCKS 2B and 3 of HOMEDALE, in the County of Klamath,
State of Oregon. EXCEPTING THEREFROM the South 5 feet thereof conveyed to Klamath County
for road purposes by Volume 362 at Page 561, Deed Records of Klamath County, Oregon.

CODE 41 MAP 3909-11AA TL 6200

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 TWENTY SIX THOUSAND FIVE HUNDRED AND NO/100-----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 AUGUST 4, 2009The 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 full insurable value
written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the be-
neficiary 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 its 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, benefi-
ciary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such takingNOTE: 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 696.585

*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 up to 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 a lease or leases, creating any restriction thereon, (c) join in any subordination of any lien or other interest affecting this deed or the land or large portion, (d) reconvey, without warranty, all or any part of the property. The grantor's signature and seal may be deemed to be the signature of persons legally entitled thereto, and the recitals therein of any matters of fact 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 a person by agent or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, take possession of the property or any part thereof, in its own name, subject to the terms, covenants and conditions, including those past due and unpaid, and apply the same, less costs and expenses of enforcement, to the satisfaction of the beneficiary, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the property, the effecting of any sale, lease or mortgage, or the recording of this deed and other insurance policies or compensation or awards for any taking of damage to the property, and the application of the same, shall be as aforesaid, shall not cure or waive any default or notice of default hereunder, and shall not constitute a discharge of the indebtedness.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any covenants, conditions, 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 the trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale of the property pursuant to the rights of the beneficiary under the law or in equity, which the beneficiary may have. In the event of such foreclosure, the beneficiary may cause the trustee to execute and cause to be recorded a written instrument of sale and conveyance, and the trustee may cause the foreclosure secured hereby whereupon the trustee shall fix the time and place of sale of the property, and the trustee may cause the property to be sold and foreclosed in the manner provided in ORS 86.010.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to the date of the sale, the trustee conducts the sale, the grantor or any other person so provided for in ORS 86.010, may cure the default by paying to the trustee the amount due at the time of the cure other than such portion as would not then be due had no default occurred. After the date of the sale, the amount due at the time of the sale may be cured by tendering the performance required under the obligation of the trust deed. If the amount due at the time of the sale or default, the person effecting the cure shall pay to the beneficiary all costs and expenses of the trustee in effecting the cure, and the obligation of the trust deed together with trustee's and attorney's fees, shall be deemed to have been paid in full.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the advertisement, and the trustee may cause the sale to be postponed as provided by law. The trustee may sell the property or any part thereof, and may cause the property to be sold in parcels or parcels at auction to the highest bidder for cash payable at the time of sale. The trustee shall deliver to the beneficiary a deed in form as required by law conveying the property so sold, but a deed so delivered shall not constitute a discharge of the indebtedness secured hereby, and the deed of any matters of fact shall be conclusive proof of the truthfulness of the recitals therein. The beneficiary, or any person authorized by the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, the trustee shall pay to the beneficiary the proceeds of the sale, less the expenses of sale, including the compensation of the trustee and a reasonable charge for the trustee's services, and the balance of the proceeds shall be paid to all persons having recorded liens subsequent to the date of the sale, in the order of their priority and (4) the surplus, if any, to the grantor or to any successor in interest of the grantor.

16. Beneficiary may from time to time appoint a successor in interest, and may cause the trustee to execute and cause to be recorded a deed in form as required by law conveying the property so sold, but a deed so delivered shall not constitute a discharge of the indebtedness secured hereby, and the deed of any matters of fact shall be conclusive proof of the truthfulness of the recitals therein. The beneficiary, or any person authorized by the grantor and beneficiary, may purchase at the sale.

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 the 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 and assigns 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 a negligent 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 other purposes (See Important Notice below).

This deed applies to, inures to the benefit of and binds all parties hereto, the heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the person or persons named in 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:

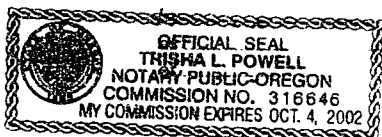
* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Archie J. Ayers
Judy Ann Ayers

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on August 4, 1999, by Archie J. Ayers and Judy Ann Ayers

This instrument was acknowledged before me on



Trisha L. Powell
Notary Public for Oregon My commission expires 10/4/2002

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:

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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