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TRUST DEED

Thomas A	A. Matthias			
636 From	nt Street			
Klamath	Falls, OR 97601			
Grantor's Name and Address				
	Home Hardware and Garden			
LLC dba	Diamond Home Improvement			
2380 S.	6th St., Klamath Falls,			
OR Beneficiary's Name and Address 97601				
After recording, re	turn to (Name, Address, Zip):			
Neal G.	Buchanan			
435 Oak	Ave.			
Klamath	Falls, OR 97601			

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State of Oregon, County of Klamath Recorded 01/31/05 Vol M05 Pg 06646-4 Linda Smith, County Clerk Fee \$ 31 _# of Pgs 、

THIS TRUST DEED, made on January 28, 2005, between	
Thomas A. Matthias	veen
Neal G. Buchanan, Attorney at Law, as Gran	ntor,
oiamond Home Hardware and Garden, LLC, dba Diamond Home Improvement	and
, as Benefici	-
WITNESSETU.	ary,

Grantor irrevocably grants, bargains, sells and conveys to trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

see the attached Exhibit "A"

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to or used in con-

nection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of

Ten Thousand Five Hundred Seventy-One and 49/100's (\$10,571.49)

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

rity dates expressed inferein, or herein, shall become immediatery 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 improvement thereon; and 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 filling the same in the proper public office or offices, as well as the cost of all lien searches made by filling 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 other hazards, as the beneficiary may from time to time require, in an amount not less than \$\frac{\

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 becomes 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 path, with interest at the rate set for 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 ty hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payments, with interest as aforesaid, the property 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 shall 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 and attorney 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 that the payable and shall constitute and the beneficiary's or trustee; attorney fees. The amount of attorney fees mentioned in this paragraph in all cases shall be fixed by the trial court, and in the event of an appeal

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 fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable upon the indebtedness secured hereby. 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.

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 696.585.

*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.

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; (join in any subordination or other agreement affecting this deed or the lien or charge thereof; pr.(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 theretor," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee 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 names use or otherwise collect the rents, issues and profits; including reasonable attorney 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 decl

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 country 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 to and agrees with the beneficiary and the beneficiary's successors 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 any 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 (choose one).*

(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.

"IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a (b) is inapplicable. If warranty (a) is applicable and the beneficiar a creditor as such word is defined in the Truth-in-Lending Act a Regulation Z, the beneficiary MUST comply with the Act a Regulation by making required disclosures. For this purpose is Stevens-Ness Form No. 1319, or the equivalent, if compliance with Act is not required, disregard this notice.	y is and Thomas A. Matthias use the
STATE OF OREGON, County of	Klamath)ss.
This instrument was acknow by Thomas A. Mattl	ledged before me on
This instrument was acknow	ledged before me on January 28, 2005
as	
of	
MARSHON NO. 373285 BY COMMISSION NO. 373285 BY COMMISSION EPIES NV. 7, 2017	Marsha Calini Notary Public for Oregon My commission expires

COMMISSION NO. 373285 BY CHAMISSINE EXPIRES INV. 7, 2017	My commission expires
REQUEST FOR FULL RECONVEYANCE (To	be used only when obligations have been paid.)
of indebtedness secured by the trust deed (which are delivered to you herewith nated by the terms of the trust deed, the estate now held by you under the same. M	to by the foregoing trust deed. All sums secured by the trust deed have been fully paid o you under the terms of the trust deed or pursuant to statute, to cancel all evidences together with the trust deed) and to reconvey, without warranty, to the parties designal the reconveyance and documents to
DATED	
Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both should be delivered to the trustee for cancellation before reconveyance is made.	Beneficiary

EXHIBIT "A" LEGAL DESCRIPTION

A portion of Lots 4 and 5 in Block 7 of FIRST ADDITION 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, more particularly described as follows:

Beginning at the most Westerly corner of Lot 5, Block 7, FIRST ADDITION to the City of Klamath Falls, Oregon; thence Southeasterly along the Northeasterly Line of Seventh Street in said City, 60 feet; thence Northeasterly at right angles to Seventh Street, 70 feet; thence Northwesterly parallel with Seventh Street, 60 feet; thence Southwesterly along the Southeasterly line of Doty Street, 70 feet to the place of beginning.

