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**TRUST DEED**

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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 S $\frac{1}{2}$  of Lot 9, Block 9, PLEASANT  
VIEW TRACTS.

SUBJECT TO: (1) Regulations, levies, liens and utility assessments of the City of Klamath Falls. (2) Regulations, levies, assessments, water and irrigation rights and easements for ditches and canals of Enterprise Irrigation District. (3) Regulations, levies, liens, assessments, rights of way and easements of South Suburban Sanitary District. (4) Covenants, easements and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms thereof, recorded July 28, 1942, in Book 148, Page 593, for ditches, telephone lines and electric power lines,

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 said real estate.

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

The date of maturity of the debt 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 grantor without first having obtained 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 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:

1. 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.

2. To complete or restore promptly and in good and workmanlike manner 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 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.

[illegible]

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 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 provisions hereof and for such payments, with interest as aforesaid, the proponents hereof and for such payments, with interest as aforesaid, the proponents herebefore 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 with 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 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 power 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, title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be paid 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 or trustee's attorney's fees on such appeal.

*It is mutually agreed that:*

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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, if first upon any reasonable costs and expenses and attorney's fees, applied in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the satisfaction secured hereby; and grantor agrees, at all times, to take such actions and execute such instruments as may 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 said property; (b) run in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting said deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any such conveyance 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, hereby we may at any time without notice, either in person, by agent or by a receiver to be appointed by the court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name or the name of such receiver, and issues and profits therefrom, and sell the same, and compound, and apply the same, and in the course 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 said property, the collection of such rents, issues and profits, or the proceeds of his 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 his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiary may proceed to foreclose this trust mortgage or grantor's equivalent as a mortgage in the manner provided by law for mortgage foreclosures. However if said real property is not so currently used, the beneficiary at his election may proceed to foreclose this trust deed in accordance with a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary, the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property. He shall attach the obligations secured hereby, whereupon the trustee is required to set 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 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by ORS 86.760, may pay to the beneficiary or his successors in interest, respectively, the entire amount then due under the terms of the trust deed and the obligation secured thereby (including costs and expenses actually incurred in enforcing \$50 each) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event the court proceedings shall be dismissed by the trustee.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice, and the trustee may sell all and any property other than the first designated parcels and shall sell the parcel or parcels at an 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 covenants or warranties, express or implied. The receipts in and to the satisfaction of the fact shall be conclusive proof of the truthfulness thereof. Any person, including the trustee, but including the grantor or beneficiary, may purchase at the sale.

15. When transferor sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to the payment of: (1) the expenses of sale, including the compensation of the trustee and a reasonable charge to the trustee's attorney; (2) to the obligation owed by the trust; and (3) to the interest of the trust in the proceeds of the sale of the property. If the proceeds of the sale of the property are not sufficient to satisfy all of these interests may appear in the order of their priority and (4) the balance, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any reason permitted by law heretofore, may from time to time appoint a successor or successors to any trustee named herein or to any trustee heretofore appointed hereunder. Upon such appointment and without the necessity of any further instrument, the trustee so appointed shall have the same powers and duties conferred upon him as the trustee named or appointed hereunder. Each such appointment and substitution shall be made by written instrument, which shall be duly executed by the donor and acknowledged by him and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county in which the County of Los Angeles is located, shall constitute the best evidence of the facts herein stated.

17. Trustee accepts this trust when this deed is acknowledged or made a public record as provided by law, and is obligated to satisfy any party hereto of pending sale under the trust or of any action or proceeding in which a party hereto is or shall be a party unless such action or proceeding is brought by a party

NOTE: The Trust Deed Act provides that the trust hereunder may be either an attorney, also an agent or member of the Georgia Trust Company, or company or company and loan association authorized to do business under the laws of Georgia or the United States, or the insurance company, or the insurance company of the state, or the property of this state, its subsidiaries, affiliates, agents or branches, in the United States or in any foreign country.

