

TRUST DEED

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~~GEORGE S. WOODKE and DARLENE WOODKE, husband and wife,~~

as Grantor, Klamath 1st Federal Savings and Loan Association, as Trustee, and
BERNARD L. VALK and MARGARET I. VALK, husband and wife,

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 in Block 20 of Klamath Lake Addition, according to the duly recorded plat thereof on file in Klamath County, Oregon.

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 Thirty-Two Thousand and no/100ths (\$32,000.00)

sum of THIRTY-TWO THOUSAND AND NO/100S (\$32,000.00) 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, in

not sooner paid, to be due and payable on or before August 1, 1985.
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.

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.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and 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 beneficiary and the beneficiary shall procure and maintain such insurance and forfeit if the grantor shall fail to do so; the beneficiary shall deliver to the grantor if the grantor shall fail to do so, a copy of the policy of insurance now or hereafter placed on said buildings, and the beneficiary may procure 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 manner as the beneficiary may determine, or at option of the beneficiary the amount so collected, or any part thereof, may, at the option of the beneficiary, be paid to the grantor. Such application of the amount so collected or any part thereof, may, at the option of the beneficiary, be made without any notice of default hereunder or invalidation of any policy of insurance or any other policy of insurance.

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 the date of such taxes, assessments and other charges become past due and 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 covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, its heirs, assigns and estate, shall be bound to the same extent that they are bound for the payment of the obligation hereinbefore described, and all such payments shall be immediately due and payable without notice; and the note secured hereby shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and shall be a part of the debt secured by 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.

fees actually incurred 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 the beneficiary's or trustee's attorney's fees; the including evidence 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 agrees to pay the sum of the appellate court costs, when reasonable, as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

It is further agreed, that if any portion or all of said property shall be taken by 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 of proceedings, be paid to beneficiary, and incurred by first upon any reasonable costs and expenses and attorney's fees, applicable 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 as shall be necessary in obtaining such compensation and execute suitably 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) join in any granting any easement or creating any restriction thereon; (c) join in any mortgage, deed, lease, or other instrument which may be required to carry out the terms of the subordination; or other agreement affecting this deed or the property charged hereunder; (d) reconvey, without warranty, all of any part of the property. The grantee in any reconveyance may be defined as the "person or persons legally entitled thereto, and the recite of the instrument in any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the above 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 personally or by its attorneys, to be appointed by the court, take any action deemed necessary to protect the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name; sue or otherwise collect the rents and profits, including those past due and unpaid, and apply the same to the payment of the indebtedness hereby secured, and to pay the legal costs and expenses of operation and maintenance of the property hereby secured and of the 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 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 policy.

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, and in such an event and if the above described real property is used for agricultural timber or grazing purposes, the beneficiary may proceed to foreclose this trust deed in equity as a mortgage in the manner provided by law for mortgages. However, if said real property is not so currently used, the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale, give notice thereof as required by law and proceed to foreclose this trust deed in the manner pro-

13. Should the beneficiary elect to foreclose by advertisement and sale, then after default, within five days before the date set by the trustee for the beneficiary'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 by the deed, together with the interest accrued and in excess of \$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 trustee shall terminate the term of the obligation and trustee's and attorney's fees not in excess of \$50 each.

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee shall sell said property either in one lot or in several 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 conditions, including the trustee, but including no other persons, heretofore existing in the deed, shall be null and void.

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 of a reasonable attorney by the trustee, (2) to the obligation of the trust to the beneficiaries by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interest 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. For any reason permitted by law 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 shall be made by written instrument signed by the beneficiary, containing reference to this trust deed and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated,

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.

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, or the United States or any agency thereof.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

dated 08-81

will

to

has

and

that

he

will

and

forever

and that he will warrant and forever defend the same against all persons whomsoever.

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, household or agricultural purposes (see Important Notice below), and for the payment of the principal and interest on the loan represented by the above described note.

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 deed and whenever the context so requires, the masculine gender includes the feminine and the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand 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 or 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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath

July 24, 1980

Personally appeared the above named: **GEORGE S. WOODKE and DARLENE WOODKE,** husband and wife,

George S. Woodke
Darlene Woodke

STATE OF OREGON, County of _____ ss.

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Personally appeared _____ and _____ who, each being first

duly sworn, did say that the former is the president and that the latter is the secretary of _____

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Notary Public for Oregon

My commission expires:

(OFFICIAL SEAL)

and acknowledged the foregoing instrument to be their voluntary act and deed.

Before me:

Michael R. Swamy
Notary Public for Oregon

My commission expires: 9/16/81

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said 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 said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the _____ and documents to _____

By _____ Mail reconveyance and documents to _____

DATED _____ at _____ Oregon, I, _____ do hereby certify that the within instrument was duly acknowledged before me and that the parties thereto are duly qualified to execute the same. My commission expires _____

Beneficiary

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.

TRUST DEED

(FORM No. 801)

THE STEVENS-NESS (LAW-PUB. CO., PORTLAND, ORE.) TRUST DEED is a legal document which creates a trust in real property. It is used to secure a loan. The grantor (owner) transfers the property to the beneficiary (lender) as trustee. The beneficiary then lends the money to the grantor. The grantor agrees to repay the loan with interest. If the grantor fails to repay, the beneficiary has the right to foreclose on the property.

Grantor: _____ Beneficiary: _____

Wm. P. BRANDSNESS
411 Pine St.
Klamath Falls, Or.

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 25th day of July, 1980, at 2:43 o'clock P.M., and recorded in book _____ on page 13923 or as file/reel number 87419. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

By *Bernetha A. Letts* Deputy