

**TN-1**

888887

**TRUST DEED**

Vol. 78 Page 16258

THIS TRUST DEED, made this 27th day of August

MOUNTAIN TITLE COMPANY

LAWRENCE E. MITCHELL and PAULINE W. MITCHELL, husband and wife

**WITNESSETH:**

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property

Lot 427, Block 101, MILLS 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.

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 TWENTY-ONE THOUSAND TWO HUNDRED AND NO/100 \_\_\_\_\_

sum of TWENTY-ONE THOUSAND TWO 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 27 1911, the date, stated above, on which the final installment of said note

The date of maturity of the debt secured by this instrument is the date, stated above, on which the debt becomes 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 such other hazards as the beneficiary may from time to time require, in an amount not less than \$ full insurable value written in the policies of insurance acceptable to the beneficiary as soon as insured; if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of said policy, of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amounts 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 hereunder or invalidate any act done pursuant to such notice.

act done pursuant to such notice.

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 and after the date of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; and if 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 paragraphs 6 and 7 of this trust deed, 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 the rights arising from breach of any of the covenants herebefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligations herebefore described, and all such payments shall be immediately payable to beneficiary, with notice, and the nonpayment thereof shall constitute a default of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

6. All taxes and expenses of this trust including the cost

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.

[illegible]

It is mutually agreed that:

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 moneys 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 by it to 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 action 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 said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting the deed or the lien or charge thereof; (d) reconvey, without warranty, to the grantor or any part of the property. The grantee in any reconveyance shall be described as the "person or persons legally entitled to the same" and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the foregoing 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 a receiver to be appointed by the court, 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 sue or otherwise enforce the same, and collect and apply the same, and the proceeds thereof, to the payment of the principal and interest on the indebtedness hereby secured, 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 notice.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement heretofore made, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary has the election may proceed to foreclose this trust deed in equity as if it were 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 declaration to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall have the power and authority to foreclose this trust deed in accordance with law and proceed to foreclose this trust deed in accordance with law and proceed to foreclose this trust deed in accordance with law.

WITNESSED BY US THIS 6TH DAY OF FEBRUARY 1987 AT LOS ANGELES, CALIFORNIA.  
SIGNED AND DELIVERED IN PRESENCE OF ME, A Notary Public for the State of California, at Los Angeles, California, on this 6th day of February, 1987, before me personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument, acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 6th day of February, 1987.

\_\_\_\_\_  
Notary Public for the State of California  
My Commission Expires \_\_\_\_\_

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 the terms of the obligation and trustee's costs and expenses not exceeding the amounts provided by ORS 86.760) and the trustee shall not be enforcing the terms of the obligation and trustee's costs and expenses not exceeding the amounts provided by ORS 86.760 had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by the trustee.

[illegible]

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 of the trust to pay to 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 balance, 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 so appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee herein and shall be deemed appointed hereunder. Each such appointment shall be in writing and shall be made by written instrument executed by 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 this trust deed is of record, shall constitute a sufficient assignment 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.

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 695.505 to 695.585.

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

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),  
(b) ~~for the purpose of securing a loan from a lender~~

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 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, 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, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

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

STATE OF OREGON, ) ss.  
County of Klamath  
August 26, 19 80

Personally appeared the above named  
KEN R. BAILEY and LILLIAN BAILEY,  
husband and wife

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

Before me:  
(OFFICIAL SEAL) Kristi L. Garrison  
Notary Public for Oregon  
My commission expires: 6/19/83

(ORS 93.490)

STATE OF OREGON, County of \_\_\_\_\_ ) ss.  
\_\_\_\_\_, 19 \_\_\_\_\_

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)

#### 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 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 estate now held by you under the same. Mail reconveyance and documents to \_\_\_\_\_

DATED: \_\_\_\_\_, 19 \_\_\_\_\_

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. 681-1)

STEVENS-NESS LAW PUB. CO., PORTLAND, OR.

Mr. & Mrs. Ken R. Bailey

636 Owens  
Klamath Falls, OR 97601  
Grantor

Mr. & Mrs. Lawrence E. Mitchell

97939 Lucas Lane  
Brookings, OR 97415  
Beneficiary

AFTER RECORDING RETURN TO

MTC - Kristi

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON, ) ss.  
County of Klamath

I certify that the within instrument was received for record on the  
27th day of August, 19 80  
at 8:49 o'clock A. M., and recorded  
in book/reel/volume No. 229 on  
page 16258 or as document fee/file/  
instrument/microfilm No. 22387.  
Record of Mortgages of said County.

Witness my hand and seal of  
County affixed.

By D. Milne  
Bernetha J. Jetch Deputy

Fee \$7.00