

SECOND TRUST DEED

Vol. *M80* Page 16720

1980, between

WITNESSETH:

portions of Lots 7 and 8 Block 54 NICHOLS ADDITION TO THE CITY OF KLAMATH FALLS, OREGON, in the County of Klamath, State of Oregon, more particularly described as follows: Beginning at the most Northerly corner of Lot 8, Block 54 of Nichols Addition to the City of Klamath Falls, Oregon and running thence Southwesterly along Lincoln Street, a distance of 87 feet; thence Southeasterly parallel with 8th Street a distance of 60 feet; thence Northeasterly parallel with Lincoln Street a distance of 87 feet; thence Northwesterly along 8th Street a distance of 60 feet to the place of beginning; being the Northwesterly 60 feet of the Northeasterly 22 feet of Lot 7, and the Northwesterly 60 feet of Lot 8 in Block 54, Nichols Addition to the City of Klamath Falls, Oregon.

FOR THE PURPOSE OF SECURING PERFORMANCE OF each agreement of grantor herein contained and payment of the sum of ELEVEN THOUSAND SEVEN HUNDRED AND NO/100----- Dollars, with interest thereon according to the terms of a promissory

The date of maturity of the debt secured by this mortgage is _____, and the principal of the debt becomes due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

(c) consent to the making of a

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 any improvement which may be constructed, damaged or destroyed thereon at any time when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, and to pay for the same, pursuant to the Uniform Commercial Code as the same may be amended, and to pay for filing same in the public office or offices, as well as the cost of all lien searches made proper by any public office or searching agencies as may be deemed desirable by the beneficiary.
4. To purchase and continuously maintain insurance on the buildings

by filing officers or searching agencies as may be required.

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 and such amount not less than \$ _____, written in all companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered 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 any policy of insurance now or hereafter placed on said building, the beneficiary may secure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such amount 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.

_____ free from construction liens and to pay all

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 expiration of 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 directly or indirectly, the trustee, by providing beneficiary with funds with which to pay direct payment, beneficiary may, at its option, make payment thereof, make such payment, with interest at the rate set forth in the note secured 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 out of the breach of any of the provisions 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 nonpayments 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. . . . and defend any action or proceeding purporting to

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 an appeal or proceeding for the foreclosure of this deed, to pay all costs and expenses, including attorney's fees, incurred by beneficiary or trustee's attorney's fees; the beneficiary or trustee shall defend evidence of title and the beneficiary or trustee shall defend the amount of attorney's fees as determined in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any such amount fixed by the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

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 money payable as compensation for such taking, which are in excess of the amount necessarily paid or to be paid for 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 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 appeal stages, and the balance applied upon the indebtedness of beneficiary in such proceedings, and the balance applied upon 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, and to sign upon written request of beneficiary.

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

[illegible]

Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by attorney, enter upon and take possession of said property of the indebted party, and in its own name sue or otherwise cause to be sued for the recovery of the principal sum of money, interest, issues and profits, including those past due and accruing, together with all costs and expenses of suit, and any and all other damages and losses, 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 hereunder, the beneficiaries may cause the same to be sold or otherwise disposed of by public sale or event of default secured hereby immediately due and payable, whether or not the same is secured hereby immediately due and payable, for agricultural, and if the above described real property is currently used for agricultural, timber or grazing purposes, the beneficiaries may proceed to foreclose this trust deed in equity, as a mortgage on real property, in the manner provided by law for mortgage foreclosures. If the above described real property is not so currently used, then the beneficiaries may proceed to foreclose this trust deed in equity, as a lien on real property, in the manner provided by law for advertisement sale. In the latter event the beneficiaries or 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, and proceed by law and proceed to foreclose this trust deed in the manner provided by law and ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale required by law and the proceeds of such sale be \$67,995.00, divided in the following manner:

After default at any time prior to five days before the date set by the trustee for sale, the grantor or any other person so privileged by the ORS to foreclose may pay to the beneficiary or his successors in interest the sum of \$67,995.00, the entire amount then due under the note, and the expenses actually incurred by the beneficiary in investigation and trustee's and attorney's fees not in excess of \$500 each, then the obligation secured thereby (including the principal and interest then due) shall be deemed paid in full and the note and mortgage shall be void and the trustee shall be discharged of all obligations. If no such payment is made by the time set for sale, then the obligation secured thereby (including the principal and interest then due) shall be deemed paid in full and the note and mortgage shall be void and the trustee shall be discharged of all obligations. If no such payment is made by the time set for sale, then the obligation secured thereby (including the principal and interest then due) shall be deemed paid in full and the note and mortgage shall be void and the trustee shall be discharged of all obligations. If no such payment is made by the time set for sale, then the obligation secured thereby (including the principal and interest then due) shall be deemed paid in full and the note and mortgage shall be void and the trustee shall be discharged of all obligations.

[illegible]

15. When trustee sells pursuant to the powers provided herein, trustee shall apply proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable fee payable by trustee's attorney, (2) to the obligation secured by the interest of the trustee in the trust having recorded liens superior to the interest of their priority and (3) the balance of such interest may appear in the order of their priority and (4) the proceeds as its interest; if any, to the grantor or to his successor in interest entitled to such surplus, if any.

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 time appoint a successor or successors to any trustee named herein, and without successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall take vested title, with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and appointment shall be made by written instrument executed by beneficiary, containing reference to this trust deed and instrument executed by beneficiary, and then recorded in the office of the County Clerk and its place of record, and then recorded in the office of the County Clerk or Recorder of any county or counties in which the property is situated. The recording of the instrument of proper appointment of the successor trustee shall constitute a full and complete proof of proper appointment of the successor trustee created and

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 except Deed of Trust, in favor of Security Savings and Loan Association which grantees assume and agree to pay.

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 an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural 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 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.)

(ORS 93.490)

STATE OF OREGON,

County of Klamath } ss.
August 26, 1980

Personally appeared the above named

W. Bryan Kelley and
Mona M. Kelley

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

Before me:

(OFFICIAL
SEAL)

Notary Public for Oregon
DONNA K. MATESON
NOTARY PUBLIC-OREGON

My commission expires 12/24/84

STATE OF OREGON, County of _____) ss.

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

(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. 881-1)

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

Grantor

SPACE RESERVED
FOR
RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO

TA Donna

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 3rd day of September, 1980, at 4:08 o'clock P.M., and recorded in book M80 on page 16720 or as file/reel number 89185, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk Title
By Bernard A. Holsch Deputy

Fee \$7.00