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TRUST DEED

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THIS TRUST DEED, made this 28th day of August, 1980, between
JAMES E. MOTLEY and MILDRED M. MOTLEY, husband and wife

as Grantor, TRANSAMERICA TITLE INSURANCE COMPANY, as Trustee, and
STANLEY M. DOWNS and C. ELOISE DOWNS, husband and wife

as Beneficiary,

WITNESSETH:

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 14, Block 11, SOUTH CHILOQUIN ADDITION, in the
County of Klamath, State of 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 THREE THOUSAND SIX HUNDRED SIXTY-SIX AND 00/100 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 any, on or before September 1, 1981.

note of even date herewith, payable to bearer on demand, of the sum of Five hundred and no/100 Dollars, \$ 500.00, dated September 1, 1981, not sooner paid, to be due and payable on demand, stated above, on which the final installment of said note is due.

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 property is not currently used for agricultural, timber or grazing purposes.

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; and not to permit any waste of said property.

and repair; not to remove, alter, or destroy any part of the building or its contents; not to commit or permit any waste of said property. The tenant shall be responsible 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 the use of the property; if the beneficiary so requests, to execute and file with 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 continuously maintain insurance on the buildings

4. To provide and continuously maintain insurance on the building 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 to the amount of not less than \$_____ Insurance for value written in an amount not less than \$_____ and in such 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; and if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary now or hereafter placed on said buildings, the beneficiary may procure 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 order as the 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.

[illegible]

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 be the payable right, if it so decides, require that all or any portion of the monies payable right, if it so decides, require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount actually required as compensation for reasonable costs, expenses and attorney's fees, be necessarily paid or to pay, in full, to beneficiary, and the balance of the monies so necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and attorney's fees, and by first upon any reasonable costs shall be necessarily paid or incurred by beneficiary in the trial and appellate, and the balance applied upon the indebtedness of beneficiary in such proceedings, and agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, upon beneficiary's request.

(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 subordinating any claim or interest in said property to any mortgage, lien or charge, subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, to the person or persons named as grantee in any reconveyance made pursuant to the terms of this deed, the property recited therein or any matters or facts shall legally entitle the person or persons named as grantee in any reconveyance to the services mentioned in this paragraph shall be not less than \$_____ per acre per year, and the said beneficiary may at any

10. Upon any default by grantor hereunder, beneficiaries may at any time without notice, either in person, by agent or by attorney, cause to be appointed by a court, and without bond, enter upon and take possession of said property for the indebtedness hereon, in its own name sue or otherwise collect the same, and any part thereof, in its own name sue or otherwise collect the same, issues and profits, including those past due and to become, and any and all losses and costs and expenses of operation and collection, including reasonable attorney's fees and disbursements incurred 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 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 the beneficiary, as trustee, may proceed to foreclose this trust deed and sell the property as to which the mortgage or direct the trustee to foreclose this trust deed as to which the mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary, as 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, thereupon the trustee shall fix 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 86.750 by advertisement and sale.

13. Should the beneficiary elect to foreclose by advertisement and sale in the manner provided in ORS 86.740 to 86.795, 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 amount then due under the terms of the trust deed, together with the obligation secured thereby (including costs and expenses of the trustee incurred in enforcing the terms of the obligation) and the attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would then be due had no default occurred, and thereupon the default, in which event all foreclosure 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 of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder. The purchase price shall be payable at the time of sale. Trustee shall deliver to the purchaser a deed in fee simple, payable as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusively proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

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 secured by the trust deed, (3) to all persons having recorded claims subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and 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 named herein or to any time appoint a successor or successors to any trustee named herein or to any successor trustee appointed herein. Upon such appointment, and without conveyance of the trust property, the latter shall be vested with all title, powers, rights and duties conferred upon any trustee herein named or hereunder. Each such appointment and the exercise of the power herein provided shall be made by written instrument executed by the trustee or trustees then in office, and containing reference to this trust deed and the place of recording, which, when recorded in the office of the clerk or recorder of the county or counties in which the trust is situated, shall constitute a full and complete record of the 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 of any action or proceeding in which grantor, beneficiary or trustee brings 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 46.505 to 46.585.

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 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 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.)

(ORS 93.490)

STATE OF OREGON,

County of Klamath

August 4, 19 80

Personally appeared the above named

James E. Motley and

Mildred M. Motley,

husband and wife

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

Before me:

(OFFICIAL SEAL)

Charles Horstman
Notary Public for Oregon

My Commission expires: 8-27-82

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. 881)

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

County of Klamath

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Mr. & Mrs. Stanley M. Downs

207 - Yahookin OR 97532

Chiloquin, Oregon

SPACE RESERVED

FOR

RECORDER'S USE

STATE OF OREGON, County of Klamath ss.

I certify that the within instrument was received for record on the 5th day of September, 19 80, at 10:51 o'clock A.M., and recorded in book/reel/volume No. M80 on page 16850 or as document/fee/file/instrument/microfilm No. 39266, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

By D. Milne Deputy
NAME TITLE
Bernadette H. H. H. Deputy