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THIS TRUST DEED, made this 30th day of November 1981, between  
JOHN WALDON ELLIOTT AND CATHY ANN ELLIOTT, husband and wife

4- Grantor. TRANSAMERICA TITLE INSURANCE COMPANY INC., \_\_\_\_\_, as Trustee, and  
MELVIN LEE REED AND SHIRLEY ANN REED,  
husband and wife as tenants by the entirety \_\_\_\_\_  
4- Beneficiary.

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

Lot 16 in Block 15 TRACT NO. 1064 FIRST ADDITION TO GATEWOOD, 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 TWO THOUSAND AND NO / 100- - - - -

----- (\$2,000.00) 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, if not sooner paid, to be due and payable March 31, 1982.

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 A-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 obligation 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, to protect, preserve and maintain said property in good condition and to cause not to remove or demolish any building or improvement thereon; not to incur or permit any waste of said property;

3. To comply with all laws, regulations, regulations, government conditions and restrictions affecting and property, if the beneficiary so requests, to him, in executing such financial statements pursuant to the Uniform Commercial Code, if the beneficiary not require and to not, for thing same in the present and in future as officers, as well as the cost of all law, searches made by third officers or consulting agency as may be desired I submit by the beneficiary.

4. To provide and continuously maintain insurance on the building, now or hereafter erected on the said premises against loss or damage by fire, wind, earthquake, etc., as the building may from time to time require, in an amount not less than \$\_\_\_\_\_ written in

any policy acceptable to the beneficiary with his payable at the time all policy of insurance shall be delivered to the beneficiary as soon as insured; if the amount shall fall for any reason to procure any such amount and to deliver same proceeds to the beneficiary at least fifteen days prior to the expiration of the period of insurance now or hereafter placed on said buildings, the beneficiary and his heirs and assigns shall be entitled to receive the amount of such policy and any other insurance policy may be applied to, benefits thereon upon any and all buildings insured hereby and in accordance herewith may be delivered or at option of beneficiary the entire amount collected or any part thereof may be released to grantor. Such application or release shall be made by the beneficiary or his heirs and assigns by notice of default beneficiary or invalidity and any other pertinent to such notice.

[illegible]

4. To pay all costs, fees and expenses of this trust including the cost of this check as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and lawyer's and attorney's fees and costs incurred.

2. The agreement in and beyond any action or proceeding purporting to assert the minority rights or powers of beneficiary or trustees and in any suit, action or proceeding in which the beneficiary or trustee appears as a party, including any suit, action or proceeding in which the beneficiary or trustee appears as a party, the beneficiary of this and the beneficiary or trustee, attorney fees, the cost of attorney's fees mentioned in this paragraph. "In all cases shall be paid by the trust and in the event of an appeal from the judgment or decree of the trial court, the trust further agrees to pay such sum as the appeal court may award, payable reasonably to the beneficiary or trustee's attorney, as directed by such court."

It is mutually agreed that:

14. In the event that any provision of all of said private shall be taken for the benefit of any of the named children or grandchildren, Beneficiary shall have the right to file a petition to require that all or any portion of the monies payable to said beneficiary in such filing, which are in excess of the amount required for the support and maintenance of said child or grandchild, be paid to said child or grandchild. Any such petition, if granted by the court, shall be paid to Beneficiary and any fee paid by it shall upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid be inverted by Beneficiary upon such proceedings, and the balance applied upon the indebtedness of said child or grandchild, and granted to said child or grandchild. In the event that said child or grandchild, or any of them, shall be necessary in obtaining such compensation, monies upon Beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its face and presentation of this deed and the note for cancellation (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

For consent to the making of any map or plat of said property, the join in granting any consent or creating any restriction thereon; or join in charge thereof; or in any agreement affecting this deed or the lien or charge thereon; or in any agreement, warranty, all or any part of the purchase, the matter in any proceeding or litigation, or the person or persons legally entitled thereto; and the contents hereof of any matter or facts shall be conclusive proof of the truthfulness thereof. Taxpayer loses for any of the services mentioned in this paragraph shall be not less than \$5.

3. Upon a default by gentes hereditas, beneficiary may at any time without notice, either in person, by agent or by a power to be appointed a warrant 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 and or otherwise collect the rents, profits and proceeds thereof and the same and apply the same, less costs of suit, to the payment of the principal and interest due on the indebtedness hereby secured and in such order as beneficiary may determine.

14. The carrying upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of the same 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 a default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all of the trust hereby constituted immediately due and payable. In such an event 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. Upon the sale of said real property at the time and place of sale, five notes thereof as then required by law to be produced, to foreclose this trust deed in the manner provided in ORS §6.740 to §6.748.

17. Should the beneficiary elect to foreclose by advertising and sale within a period of 90 days after the date of the default by the trustee in the trustor's sale, the grantor or other person so privileged by CR 36.760, may, pay to the beneficiary or his successor, 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 and attorney's fees not exceeding the amounts provided by law) other than such portion as the principal would not then be due had no default occurred, and thereby, terminate 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 or in the listed bidding. The trustee shall execute a deed to the said 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, and shall be bound to do any and all matters that may be necessary to the fulfillment thereof. Any person claiming the property, but including the grantor and his heirs, 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 commission of the trustee and a reasonable charge; (2) the trustee's attorney's fee; (3) the obligation secured by the trust deed; (4) all payments having a recorded lien subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (5) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

14. For a person permitted by law to appoint, may from time to time appoint a successor or successors to any trust named herein or to any successor trustee appointed hereunder. Upon such appointment, and without any reference to the success or trustee, the latter shall be vested with all title, interest, powers, duties and responsibilities of the trust herein appointed hereunder. Each such appointment and substitution shall be made by a 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 of the County of Santa Clara, shall constitute the proper and lawful record, and shall be conclusive proof of proper 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 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 may 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 in this state, or a title insurance company authorized to do business in this state. The trustee hereunder, if other than 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 in this state, or a title insurance company authorized to do business in this state, shall be a resident of the State of Oregon or the United States, or a duly licensed broker or an escrow agent licensed under ORS 975.505 to 975.508.

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 FIRST TRUST DEED IN FAVOR OF FIRST NATIONAL BANK OF OREGON  
RECORDED 2/21/79 in Book M 79 page 3926 WHICH GRANTOR HEREIN ASSUMES  
AND AGREES 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 a corporation, or (even if grantor is a natural person) not 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 93.442)

STATE OF OREGON,

County of Klamath } ss.  
Dec 10<sup>th</sup>, 1981

Personally appeared the above named  
John Waldon Elliott and  
Cathy Ann Elliott

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

(OFFICIAL  
SEAL)

Notary Public for Oregon

My commission expires: 11/16/84

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.

MELVIN LEE REED AND  
SHIRLEY ANN REED

Grantor

JOHN WALDON ELLIOTT AND  
CATHY ANN ELLIOTT

Beneficiary

AFTER RECORDING RETURN TO

TRANSAMERICA / TA

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 10<sup>th</sup> day of December, 19 81, at 3:34 o'clock P.M., and recorded in book/reel volume No. M 81 on page 21194 or as document/fee/file/instrument/microfilm No. 7293. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk

By \_\_\_\_\_ Deputy  
Fee \$8.00