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SECOND

SECOND
TRUST DEED

STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR. 97204

THIS TRUST DEED, made this 5th day of January, 1982, between Thomas D. Andrade and Karen Andrade, husband and wife, as Grantor, Klamath First Federal Savings and Loan Association, James P. Hoppe and Rebecca A. Hoppe, husband and wife, as Trustee, and as 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 4 in Block 10, FOURTH ADDITION TO SUNSET VILLAGE, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. Subject, however, to the following:

1. Assessments, if any, due to the City of Klamath Falls for water use.
2. The premises herein described are within and subject to the statutory powers, including the power of assessment, of South Suburban Sanitary District.
3. The premises herein described are within and subject to the statutory (for continuation of this Second Trust Deed see reverse side of this document)

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 THOUSAND FOUR HUNDRED EIGHTY-ONE AND 37/100 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 February 5, 1987.

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 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, not to commit or permit any waste of said property, and not to destroy, remove, alter or improve any building or improvement thereon in any manner which may be construed to be a 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 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 and such other hazards as the beneficiary may, from time to time, require, in an amount not less than \$100,000.00, payable to the beneficiary, in policies of insurance acceptable to the beneficiary, with loss payable to the beneficiary, in the event of fire or other casualty, and to deliver said policy to the beneficiary as soon as insured; all of any policy of insurance now or hereafter placed on said buildings, and to collect 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 action taken 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 any part of such taxes, assessments and other charges become due or delinquent and promptly deliver receipts therefor to the 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 herebefore described, as well as the grantor, shall be bound to the extent described, and all such payments shall be paid to the beneficiary upon notice, and the nonpayment thereof shall, at the option of the beneficiary, 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 a third party's fees actually incurred.
 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 such action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including attorney's fees mentioned in this paragraph 7 in all cases shall be paid 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 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:

1. 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 taken as compensation for such taking that all or any portion of the moneys payable to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to the beneficiary and beneficiary, in the trial and appellate courts, necessarily paid or incurred by grantor 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.
2. 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 redemptions, 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 subdivision or other agreement affecting this deed or the lien or charge thereon; (c) reconvey, without warranty, all or any part of the property, or any interest therein, to the beneficiary; and the recitals thereof and any matters or facts shall be conclusively proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.00.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, 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 sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same to the payment of any 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 any sale, or the application of or release thereof or any taking of damage or other waiver 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 a "sale" of the property secured hereby immediately due and payable, and 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 execution 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 hereby, whereupon 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 86.747 to 86.795.

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 86.740, may pay to the beneficiary or his successors so privileged by the beneficiary, the entire amount then due under the terms of the trust deed and the obligation secured hereby (including costs and expenses, actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not in excess of the amounts provided by law) 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 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 or his successor may sell the property in one parcel or in separate 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 person, including 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 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 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 trustee appointed hereunder. Upon such appointment and to any conveyance to the successor trustee, the trustee shall execute and deliver to the successor trustee, without charge, a deed in form as required by law conveying the property herein named with all title, 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, 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 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, or any agency thereof, or an insurance company authorized to insure title to real property of this state, its subdivisions, affiliates, agents or branches, the United States or any agency thereof, or an insurance agent licensed under ORS 610.505 to 610.509.

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 a prior Mortgage in favor of Klamath First Federal Savings and Loan Association, to which this Second Trust Deed is second and junior, and that he will warrant and forever defend the same against all persons whomsoever.

(for continuation of this document see attached Exhibit "A")
TOGETHER WITH: stoves, refrigerators, dishwashers, drapes and carpeting in each unit for a total value of \$1,500.00 which is included in selling price.

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 for a partnership, or for 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 terms 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.)

Thomas D. Andrade
Thomas D. Andrade

Karen Andrade
Karen Andrade

STATE OF OREGON,)
County of Klamath) ss.
January 5, 1982

Personally appeared the above named
Thomas D. Andrade and Karen
Andrade, husband and wife

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:

and acknowledged the foregoing instrument to be their voluntary act and deed.
Before me:
Kristin L. Harrison
Notary Public for Oregon

(OFFICIAL SEAL)

Notary Public for Oregon

(OFFICIAL SEAL)

My commission expires: 6/19/83

My commission expires:

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.

Grantor

SPACE RESERVED
FOR
RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO

MTG

STATE OF OREGON,) ss.
County of _____

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded on page _____ of volume No. _____ on _____ or as document / fee / file / instrument, microfilm No. _____, Record of Mortgages of said County. Witness my hand and seal of County affixed.

By _____ Deputy

powers, including the power of assessment, of Enterprise Irrigation District.

4. The premises herein described are within and subject to the statutory powers, including the power of assessment, of South Suburban Sanitary District.

5. Public utilities easement - rear 8 feet, as shown on dedicated plat.

6. Reservations, easements and restrictions as contained in plat dedication, to-wit:

"(1) Easements for future public utilities, irrigation and drainage as shown on the annexed plat, easements to provide ingress and egress for construction and maintenance of said utilities, irrigation and drainage, (2) No changes will be made in the present irrigation and/or drain ditches without the consent of The Enterprise Irrigation District, its successors or assigns, (3) Building setback lines as shown on the annexed plat, (4) All easements and reservations of record and additional restrictions as provided in any recorded protective covenants."

7. Building setback line 25 feet from street as shown on dedicated plat.

8. Covenants, conditions and restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, imposed by instrument, including the terms and provisions thereof, recorded June 7, 1971 in Volume M71, page 5502, Microfilm Records of Klamath County, Oregon.

9. Subject to a 5 foot easement over Easterly lot line as shown on dedicated plat.

10. An easement created by instrument, including the terms and provisions thereof,

Dated: September 27, 1972

Recorded: September 27, 1972

Volume: M72, page 10963, Microfilm Records of Klamath County, Oregon

In favor of: Oregon Water Corporation

For: transmission and distribution of water

11. Mortgage, including the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein.

Dated: August 7, 1973

Recorded: August 17, 1973

Volume: M73, page 11095, Microfilm Records of Klamath County, Oregon

Amount: \$25,700.00

Mortgagor: Joe L. Keller and Rosie A. Keller, husband and wife

Mortgagee: First Federal Savings and Loan Association of Klamath Falls, which Grantees assume and agree to pay, including the terms and provisions thereof, the unpaid principal balance of which is \$ 22,518.63 to Klamath First Federal Savings and Loan Association.

Grantors herein expressly covenant and agree to pay or see to the payment of the said prior Mortgage, hereinafter mentioned, and to prevent any default thereunder, and further agree that should any default be made in the payment of any installment of principal and interest on the prior Mortgage, and should any such installment of principal and interest remain unpaid and in arrears for a period of 30 days, or should any suit be commenced or other action taken to foreclose the prior Mortgage, then the amount secured by this Second Trust Deed shall become due and payable in full at any time thereafter, at the option of the holder of this Second Trust Deed and the note secured thereby.

Any assumption of the within Second Trust Deed without the express written consent of the Beneficiary shall be considered a breach thereof.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at ~~OREGON~~

On the 11 day of January A.D. 1982 at 10:58 clock A.M., and

duly recorded in Vol. M 82, of Mtge on page 320.

Fee \$12.00

By EV. LYNN BIEHN, County Clerk

EXHIBIT "A"