

SECOND -- TRUST DEED

12336

19...8.2., between

THIS TRUST DEED, made this 10th day of May, 1981, by and between RICHARD L. HUBBARD AND DAWN A. RINALDO, as Grantor, TRANSAMERICA TITLE INSURANCE COMPANY INC., as Trustee, and TERRY LEE SCHAFER AND JUANNA A. SCHAFER, husband and wife as tenants by the entirety, as Beneficiary,

WITNESSETH:

_____ to trustee in trust, with power of sale, the property

WITNESSETH:

by the entirety,
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:
SECTION TO THE CITY OF KLAMATH FALLS,

Lot 4 Block 47 BUENA VISTA ADDITION TO THE CITY OF KLAMATH FALLS,
PLUS THAT PORTION OF VACATED OREGON AVENUE ADJACENT THERETO, 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.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of office, this _____ day of _____, 19____.

THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of _____ DOLLARS, HUNDRED, SEVENTY SIX AND 54/100-----

_____ according to the terms of a promissory note, in and to the order of _____, bearing date of _____, 19____.

FOR THE PURPOSE OF SECURING PERFORMANCE OF each agreement, now or hereafter appertaining, with said real estate.

sum of **TWELVE THOUSAND THREE HUNDRED SEVENTY SIX AND 54/100**----- (\$12,376.54)---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 due and payable (**per terms of note**) , 19 **on or before 5/15/89**

this instrument is the date, stated above, on which the final installment of said note is due and payable (**per terms of note**) , 19 **on or before 5/15/89**, or any interest therein is sold, agreed to be sold, or otherwise disposed of, the date of such sale, disposition or other event shall be deemed to be the date of the maturity of this instrument and the date of the termination of the right of the beneficiary to receive the proceeds thereof.

sum of TWELVE THOUSAND DOLLARS (\$12,316.34) _____, 19. on or before 5/15/89
note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of said note
not sooner paid, to be due and payable (per terms of note) _____, 19. on or before 5/15/89
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.
(a) consent to the making of any map or plat of said property; (b) join in any
conveyance, assignment or creating any restriction thereon; (c) join in any
conveyance, assignment or creating any restriction thereon; (d) join in any
conveyance, assignment or creating any restriction thereon; (e) join in any

The above described real property is not:

To protect the security of this trust deed, grantor agrees:

to insure and maintain said property in good condition and to pay all taxes and assessments and all interest and principal on all loans and improvements thereon.

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 in good and workmanlike and promptly construct, damaged or

1. To protect, preserve and maintain any building or improvement and repair; not to remove or demolish any building or improvement and repair; not to permit any waste of said property.

2. To complete or improvement which may be constructed, damaged or destroyed thereon and pay when due all costs, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to execute and perform all the duties and obligations of a fire insurance company in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for all lien searches made by the proper public office or offices, as well as the cost of all lien searches made by lifting officers or searching agencies as may be deemed desirable by the beneficiary.

3. To provide and continuously maintain insurance on the buildings and improvements against loss or damage by fire, theft, burglary, and

beneficiary. 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 amount not less than \$ _____, written in 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; 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 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 beneficiary upon any indebtedness secured hereby and in such order as collected, or 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 said notice.

any part thereof, may be released or notice of default hereunder shall not cure or waive any default or notice of default hereunder. The grantor covenants and agrees to execute all documents required to carry out the purposes of this trust pursuant to such notice.

5. To keep each 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 past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payments payable by grantor, interest, insurance premiums, liens or other charges payable by grantor, to the extent of 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 deed, shall be added to and become a part of the debt secured by this deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the grantor shall be bound to satisfy the payment of the obligation herein described, and all such payments shall, at the option of the beneficiary, be made immediately due and payable with the principal sum secured by this trust deed immediately due and payable and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and the breach of this trust deed expenses of this trust including the cost of defending the same shall be a charge against the assets of the trustee incurred

6. To pay all costs, fees and expenses of the trustee incurred
of title search as well as the other costs and expenses of the trustee and attorney's
in connection with or in enforcing this obligation and trustee's and attorney's
fees actually incurred.

7. In and defend any action or proceeding purporting to
transfer any interest in the trust property to any beneficiary or trustee; and in any suit
to enforce the provisions of this trust agreement, including

[illegible]

It is mutually agreed that:

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 amount payable under the right of such taking, which are in excess of the amount required or as compensation for such taking, which are in excess of the amount required or as compensation for such taking, shall be paid to beneficiary and to pay all reasonable costs, expenses, and attorney's fees necessarily incurred by grantor in such proceedings, shall be paid to attorney's fees, incurred by it first upon any reasonable costs and expenses or incurred by beneficiary at the trial and appellate courts, necessarily paid upon the indebtedness both in such proceedings, and the balance applied upon, to take such actions in such proceedings, and agrees, at its own expense, to take such actions secured hereby; and grants 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 this deed or the property. The grantee; (d) reconveyance may be described as the "person or persons thereto"; and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services 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 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, less costs and expenses of operation and collection, including reasonable attorney's fees upon 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 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 at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose the trustee shall advertise 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 as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.740 to 86.795.

hereby, whereupon the trustee shall proceed to foreclose by advertisement and sale thereof as then required by law and proceed to reconvey to said beneficiary in the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose before the date set by the trustee 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 obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fee not exceeding the amount 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 court.

14. The sale shall be held on the date and at the time and place specified in the notice of sale and to which said sale may

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the trustee may sell said property either as provided by law. The trustee shall sell the parcels at sale. Trustee in one parcel or in separate parcels for cash, payable at the time of sale. Trustee to the highest bidder for cash, payable at the time of sale by law conveying such property to the purchaser without any covenant or warranty, express or implied, shall deliver to the purchaser of each parcel a deed in form as required by law. The recitals in the deed of any matters of fact shall be conclusive 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 to all persons of the trust, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the order of their priority and (4) the having of their interests may appear in the order of their interest entitled to such 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 or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution 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 Recorder, shall constitute notice to the County Recorder and to all courts and counties in which the property is situated, and to all persons claiming an interest in the property. The successor trustee.

17. Trustee accepts this trust as provided by law. Trustee is not acknowledged is made a party hereto of pending sale under any other deed obligated to notify any party or proceeding in which grantor, beneficiary or trustee 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 696.505 to 696.585.

6894

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 TRUST DEED IN FAVOR OF KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOC. RECORDED 8/31/79 in Book M 79 page 20830 WHICH GRANTORS HEREIN ASSUME AND AGREE TO PAY AND: City Improvement # 285 card 20 with a balance of \$2,454.99 WHICH GRANTORS - and that he will warrant and forever defend the same against all persons whomsoever. ASSUME & AGREE TO PAY.

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)

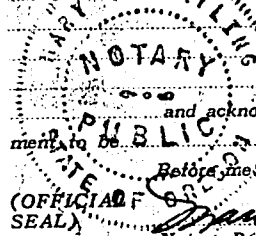
STATE OF OREGON,

County of Klamath

May 17, 1982

Personally appeared the above named

RICHARD L. HUBBARD &
DAWN A. RINALDO



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

Before me,
(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 11-16-84

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

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)

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

RICHARD L. HUBBARD and

DAWN A. RINALDO

Grantor

TERRY LEE SCHAFER AND

JUANNY A. SCHAFER

Beneficiary

AFTER RECORDING RETURN TO

MARY LOU / AS336

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 3 day of June, 19 82, at 10:21 o'clock A.M., and recorded in book/reel volume No. M 82 on page 6893 or as document/fee/file/instrument/microfilm No. 12336. Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk

By _____ Title
Fee \$8.00 Deputy