

TRUST DEED

Vol. 112 Page 12903

MATILDA I. WALKER

as Grantor, TRANSAMERICA TITLE INSURANCE COMPANY INC.

NOLAN T. ARNETT and ERNESTINE H. ARNETT, husband and wife as
tenants by the entirety

as Beneficiary.

WITNESSETH:

in _____ Klamath _____ County, Oregon, described as:

attached hereto and made a part Hereof shown as

1 "EXHIBIT A" END

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of THIRTY TWO THOUSAND FIVE HUNDRED AND NO/100-----

-----(\$32,500.00) 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 which shall be

not sooner paid, to be due and payable November 1, 2002

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.
2. To

4. 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.

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 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 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 a beneficiary may desire to insure against, in an amount not less than \$_____.

5. If the beneficiary is not a corporation, the policy or policies acceptable to the beneficiary, with loss payable to the latter; and if the grantor shall fail to deliver to the beneficiary as soon as insured; or deliver said policies to the beneficiary as soon as procured any such insurance and to renew any policy of insurance now or hereafter issued on said buildings, the beneficiary may procure the same at grantor's expense. The beneficiary collected under any fire or other insurance policy may be applied by beneficiary against any indebtedness secured hereby and in such order as beneficiary may determine at the option of beneficiary the entire amount so collected, or any part thereof, may be paid to the 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.

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 shall be paid, the grantor, his heirs, assigns, administrators, executors, trustees, personal representatives, successors and assigns, shall, from time to time, to the beneficiary, should the grantor be or become delinquent and promptly deliver receipts therefor. The beneficiary shall not be bound to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either directly or indirectly, or by providing beneficiary with the money with which to make such payment, beneficiary may, at its option, make payment therefor, 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 deed, shall be added to and become a part of the debt secured by this trust deed, and the beneficiary shall have the right to enforce the payment of the same, and all such rights arising from breach of any of the covenants hereof and for such breach, with interest as aforesaid, the property hereinbefore described, as well as the interest therein, shall be bound to the extent that they are bound for the payment of the debt hereby secured, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and

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.

7. To appear 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 any appeal, to pay the costs of this deed, to pay all costs and expenses, including evidence of title and the reasonable attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in any judgment rendered by the trial court and in the event of an appeal from any judgment or order of the trial court, grantor further agrees to pay such sum as the appellate court may deem 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 monies payable to such condemnor, in such taking, which are in excess of the amount required to pay all reasonable costs and attorney's fees necessarily paid or incurred 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 appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness hereby; and grantor agrees, at its own expense, to take such actions and execute such documents as shall be necessary in obtaining such condemnation. promissory note, hereinafter

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 creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto," and the recitals therein of any names 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 premises and any part thereof, in its own name sue or otherwise collect the rents, and 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 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 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 foreclose. The beneficiary shall be entitled to sell the real property so secured hereby, whereupon the proceeds of the sale at the time and place of sale, give notice thereof as then required by law and pay to the beneficiary the balance of the proceeds of the sale, and the beneficiary shall have the right to foreclose this trust deed in the manner provided in ORS 86.740 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 sale, the grantor or other person so privileged by ORS 86.760, may pay to the trustee the sum of the principal, interest, respectively, the entire amount then due under the terms of the trust document, together with the costs and expenses actually incurred in the foreclosure proceedings, including costs and attorney's fees not exceeding the amounts provided by law, or the entire amount of the principal as would not then be due had no default occurred, and thereupon the principal and interest 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 whole or in separate parcels and shall sell the parcel or parcels at public auction for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed as required by law conveying the property so sold, but without any covenant or warranty, and shall file the recitals in the deed of any matters of fact shall be conclusive and the truthfulness thereof. Any person, excluding the trustee, but including

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) 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 or successors to any trustee named herein or to any trustee appointed hereunder. Upon such appointment, and without conveyance or assignment of the trust, the latter shall be vested with all title, powers and duties conferred upon the beneficiary by this appointment. Upon such appointment and substitution shall be made by deed, signed by the beneficiary, containing reference to this trust deed and its place of record, and filed for record 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, 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.

15000

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EXHIBIT "A" TO TRUST DEED

A portion of Lots 7 and 8, Block 42, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Southeasterly line of Erie Street North 48° 18' East 100.4 feet from the point created by the intersection of the Southeasterly line of Erie Street and the Northeasterly line of the Alameda; thence North 48° 18' East along the Southeasterly line of Erie Street 38.0 feet; thence North 64° 10' East 11.7 feet also along the Southeasterly line of Erie Street; thence South 41° 42' East parallel to the Alameda 96.8 feet; thence South 48° 18' West parallel to Erie Street 50.0 feet; thence North 41° 42' West parallel to the Alameda 100 feet to the point of beginning.

maw.

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record .

his 28 day of sept A. D. 1982 at 3:47 o'clock P M .duly recorded in Vol. MB2, of Mtge on 12903

Fee \$12.00

By

EVELYN BIEHN, Com

