

TEST

15803

TRUST DEED

18510

as Grantor, B. J. Matzen, City Attorney, as Trustee, and

City of Klamath Falls, a municipal corporation

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

North 80 feet of Lot 647, Block 119, Mills Addition to the City of Klamath Falls according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, free of all encumbrances except reservations, restrictions, easements and rights-of-way of record and those apparent upon the land.

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 a sum of Eight thousand one hundred nineteen and 21/100 Dollars with interest thereon according to the terms of a promissory

sum of Eight thousand one hundred nineteen and 21/100 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 December 3rd, ~~XX~~ 2002 the date secured by this instrument is the date stated above, on which the final installment of said note and interest therein is sold, agreed to be

note of even date herewith, payable to beneficiary, **December 3rd**, 2002, not sooner paid, to be due and payable. 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; nor to permit any 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 removed 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 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 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 an amount not less than \$ full insurable value, written in an amount not less than \$ full insurable value with loss payable to the latter; all

an amount not less than \$100,000,000, with loss payable to the latter; all companies acceptable to the beneficiary, with loss payable to the beneficiary as soon as insured policies of insurance shall be delivered to the beneficiary as soon as insured and to 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 life 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 be deemed to constitute a release of the indebtedness or to invalidate any

[illegible]

taxes, assessment and other charges become past due or delinquent and promptly deliver receipts therefor to 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 pay the same, the grantor, by its option, make payment thereof

by direct payment or by providing benefit therefor; or, at its option, make payment thereof to make such payment, beneficiary may, at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of the trust deed, shall be added to and become a part of the debt secured by the trust deed, without waiver of any rights arising from breach of any of the provisions of the trust deed, hereinafter referred to as "loans," the proceeds

covenants hereof and for such payments, with interest as aforesaid, the pro-
erty hereinbefore described, as well as the grantor, shall be bound to the
same extent that they are bound for the payment of the obligation here-
inbefore described, and all such payments shall be immediately due and payable by
the grantor upon demand therefor.

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 the performance of his duties in carrying out this obligation and trustee's and attorney's fees.

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 this deed, to pay all costs and expenses,

action or proceeding in which the beneficiary or trustee's attorney's fees, any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; amount of attorney's fees mentioned in this paragraph 7 in all cases shall fixed by the trial court, and in the event of an appeal from any judgment of the trial court, grantor further agrees to pay such sum as the beneficiary or trustee's attorney shall be entitled to receive.

It is mutually agreed that:

9. In the event of eminent domain or condemnation, beneficiary shall have 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 in compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary.

incurred by grantor in such proceedings, together with the reasonable attorneys' fees applied by it first upon any reasonable costs and expenses, necessarily paid or incurred by both in the trial and appellate courts, necessarily paid or incurred by the delinquent beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such court order.

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 endorsement (in case of full reconveyances, for cancellation), without allocation of liability of any person for the payment of the indebtedness, trustee

(c) consent to the making of any map or plat of said property; (h) join in granting any easement or creating any restriction thereon; (i) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (j) recover, without warranty, any part of the property; the person or persons grantee in any reconveyance, as described as the "person or persons legally entitled thereto," in the recitals therein of any matters or facts shall be conclusively evidence of the truthfulness thereof. Trustee's fees for any of the foregoing shall be paid by the grantor. The consideration for this deed, as recited 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 receiver to be appointed by a court, and if secured, enter upon and take possession of said property, including the real estate, and collect the same, and the same, its issues and profits, including those past due and owing, and the same, less costs and expenses of operation and collection, including reasonable attorney's fees and disbursements secured hereby, and in such order as beneficiary may deem best and in his or her sole discretion, and 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.

[illegible]

13. Should the beneficiary elect to foreclose by advertisement and sale in the manner provided in ORS 86.740 to 86.793:

14. Otherwise, the sale shall be held on the date and at the time a 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 in auction to the highest bidder for its 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, or 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, trust shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and any reasonable charge by trustee or attorney, (2) to the obligation of the trust to pay taxes, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust, and (4) as their interests may appear in the order of their priority and (5) as surplus, if any, to the grantor or to his successor in interest entitled to said 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 by her trustee. Upon such appointment, and with respect to the successor trustee, the latter shall be vested with all the powers and duties conferred upon any trustee by the will appointing or hereunder. Each such appointment of a successor beneficiary shall be made by written instrument in the form of a deed, and such appointment shall be filed in the office of the Clerk of Recorder of the county or counties in which the beneficiary is situated.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is obligated to notify any party hereto of pending sale under any other 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.

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) xxx
 (b) ~~for the purchase of real property or for the payment of a debt secured by a mortgage on real property~~ xxx

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.

William J. Lehto
 William J. Lehto
 Dorothy M. Lehto
 Dorothy M. Lehto

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,
 County of Klamath } ss.
 December 3, 1982
 Personally appeared the above named
 William J. Lehto and
 Dorothy M. Lehto, husband and wife

STATE OF OREGON, County of _____ } ss.
 Personally appeared _____, 19____
 and _____
 who, each being first
 duly sworn, did say that the former is the
 president and that the latter is the
 secretary of _____

and acknowledged the foregoing instrument to be their voluntary act and deed.
 Before me:
 Diane Dorey
 Notary Public for Oregon
 My commission expires: 03/10/86

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, OR.

William J. Lehto
 Dorothy M. Lehto
 Grantor

City of Klamath Falls
 Beneficiary

AFTER RECORDING RETURN TO
 Planning Department
 P.O. Box 237
 Klamath Falls, OR 97601

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 28th day of December, 1982, at 4:09 o'clock P. M., and recorded in book reel volume No. M82 on page 18510 or as document/file/instrument/microfilm No. 18803 Record of Mortgages of said County.
 Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk
 By Bernetha A. Lehto Deputy