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TRUST DEED

Vol. 1783

1599

as Grantor, Michael D. Henry, 276 Main, Klamath Falls, Oregon, as Trustee, and
Scafco Corporation, P. O. Box 11215, Spokane, Washington 99211

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:

617 North Ninth Street, Klamath Falls, Oregon more particularly described as: Northerly 40 feet of Lot 4, Block 62 NICHOLS ADDITION to the City of Klamath Falls.

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 Six thousand one hundred twelve and 80/100-----

sum of Six thousand one hundred twelve and 33/100 ----- 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, is to be due and payable on or before 60 days ~~xx~~ from date of Promissory Note.

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, 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 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 convert or 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 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 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 \$ _____, written in _____, with loss payable to the latter; also

an amount not less than \$_____ the beneficiary, with loss payable to the latter; all companies acceptable to the beneficiary shall be delivered to the beneficiary as soon as insured policies are issued; if the beneficiary shall fail for any reason to procure any such insurance, the grantor shall deliver said policies to the beneficiary at least fifteen days before the expiration of any policy of insurance now in force, or hereafter issued on said buildings, at the expense of the beneficiary; and any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such amount so collected, or may determine, or at option of beneficiary, to be applied to the amount so collected, or any part thereof, may be applied to any grantor. Such application or release shall not constitute any default or notice of default hereunder or invalidate any other provision hereof, and shall be subject to the order of the beneficiary, and shall be 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 are paid by the owner, lessor, tenant, or any other person, and to

[illegible]

hereby, together with the obligations hereinbefore created, 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 covenants hereof and for such payments, with interest as aforesaid, the promisor, as well as the grantor, shall be bound to the

covenants hereof and for such payments, the grantor, shall be bound to the same extent that they are bound for the payment of the obligation hereby described, and all such payments shall be immediately due and payable with interest thereon, and the management thereof shall, at the option of the beneficiary

described, and all such payments shall be made 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 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 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 suit 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 evidence of title and the beneficiary's or trustee's attorney's fees; but not the attorney's fees mentioned in this paragraph 7 in all cases shall

amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed 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 or trustee's attorney's fees.

It is mutually agreed that

4. 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 in compensation for such taking, which are in excess of the amount required

as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily and incurred by grantor in such proceedings, shall be paid to beneficiary as provided by it first upon any reasonable costs and expenses and attorney's fees incurred by it.

applied by it first upon any reasonable costs and expenses and then upon the indebtedness of the obligor, both in the trial and appellate courts, necessarily paid or incurred by the obligor in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action as may be necessary in obtaining such costs and expenses paid or incurred by the obligor.

9. At any time and from time to time upon written request of beneficiary

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

NOTE: The Trust Deed Act provides that the trustee hereunder must be either a corporation or an individual resident in the State of New York and authorized to do business under the laws of the State of New York.

(a) consent to the making of any map or plan of said property, that of granting any easement or creating any restriction thereon or consent to the subordination or other agreement affecting the title of the land or share thereof; (d) reconvey, without warranty, all or any part of the property to the grantee in any reconveyance may be considered as the "person or persons legally entitled 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 above mentioned services shall not be less than \$8.

10 Upon any default by grantor hereunder, beneficiaries may at any time without notice, either in person, by agent or by attorney, to be appointed by a court, and without regard to the adequacy of any security for the indebtedness, enter upon and take possession of said premises and any part thereof, in its own name or or otherwise to collect the tolls, rents, profits and other income of said premises, and to sell the same for its debts and profits, including those past due and unpaid, and apply the proceeds thereof to the payment of said indebtedness, and to satisfy all other less costs and expenses of operation and collection, and in such order as to be most beneficial to the beneficiaries, and to the said premises.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of fire and the insurance policies or compensation or award for any taking or damage of the property, and the application or release thereof as aforesaid, shall constitute a 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 shall declare all sums secured hereby immediately due and payable. In such 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 in equity as a mortgage. In the latter event the beneficiary or the trustee shall advertise and cause to be recorded his written notice of default and his election to foreclose or direct the trustee to foreclose this trust deed in equity to sell the said described real property to satisfy the indebtedness secured hereby, whereupon the trustee shall by the time and place of sale, give notice thereof as then required by law. Law of purchase price \$6,740.00 to \$6,795.00.

[illegible]

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 parcels or in separate parcels and shall sell the parcel or parcels in parcels to the highest bidder for cash, payable at the time of the auction to the highest bidder. The trustee shall be governed by law in the sale shall deliver to the purchaser a deed, without any covenant or warranty, express or implied, and the recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but not the

15. When trustee sells pursuant to the powers provided herein, he shall apply the proceeds of sale to payment of (1) the expenses of the sale, including the compensation of the trustee and a reasonable charge by the trustee and attorney, (2) to the obligations secured by the trust deed, (3) to all taxes and other charges due or payable by the trust, and (4) to the principal and interest of the trust deed as then due, the balance to his successor in interest entitled to the same.

16. For any reason permitted by law, beneficiaries may at any time appoint a successor or successors in any trust created by the transferor, and the transferor may, in the instrument creating the trust, designate the successor or successors in interest entitled to the corpus of any trust created by his succession in interest entitled to the surplus.

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 deed of trust or of any action or proceeding in which grantor, beneficiary of trust or any other party to this deed is a party.

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, or 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 licensed to do business in the property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 645.015 to 645.05.

