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ASPEN M-27563
TRUST DEED

STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR 97208

Vol. 1284 page - 7956

THIS TRUST DEED, made this 8th day of May
DONALD E. MERRITT and SHEILA A. MERRITT, husband and wife, 19 84, between

as Grantor, ASPEN TITLE & ESCROW, INC., An Oregon Corporation
KENNETH KINSMAN and LINDA KINSMAN, 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 inKlamath.....County, Oregon, described as:

The North 40 feet of the South 80 feet of Lots 702 and 703, Block 104, MILLS ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

SEE EXHIBIT "A" ATTACHED HERETO FOR ADDITIONAL PROVISIONS

together with all and singular the tenements, hereditaments and appurtenances and all other rights then now or hereafter appertaining, and the rents, issues and profits thereof, together with all and singular the right and privilege of common with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of TWENTY SEVEN THOUSAND AND NO/100 (\$27,000.00) _____

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. Consent will not be withheld unreasonably.

The above described real property is not currently used for agricultural, timber or grazing purposes.

To protect the security of this instrument, the undersigned hereby certifies that the above described real property is not currently used for agricultural, timber or grazing purposes.

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 complete or restore...

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 all due costs incurred therefor.
3. To comply with all laws, ordinances and regulations of the City of New York.

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 directed by the beneficiary.

[illegible]

taxes, assessments and other charges that may be levied or assessed upon or charges become payable by any part of such taxes, assessments and other taxes, assessments and other charges payable by grantor, either directly or indirectly, shall be immediately due and payable by beneficiary, should grantor fail to make payment of any such taxes, assessments and other charges payable by grantor, either directly or indirectly, 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, with the waiver of any rights arising from breach of any of the covenants hereof and any payments with interest on any breach of any of the covenants hereof described, shall, with interest as provided, the promissory extent that they are bound for the payment of the obligations herein described, and all such payments shall be immediately due and payable, hereinafter, 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 attorney'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 suit, action or proceeding in which the beneficiary or trustee may appear, including any suit or proceeding for enforcement of this deed, to pay all costs and expenses, including attorney's fees mentioned in paragraph 6 or trustee's expenses, incurred by the beneficiary or trustee in connection with such action or proceeding as decreed 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 all costs and expenses of the appellate court shall adjudicate reasonable as the beneficiary's or trustee's fees on such appeal.

It is mutually agreed that:

[illegible]

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

[illegible][illegible]

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 the same 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. The beneficiary may exercise this right by recording a notice of election to foreclose this trust advertisement as a mortgage or direct the trustee to foreclose this trust and execute and cause to be recorded the documents necessary to foreclose this trust deed by to sell the said described real property to satisfy the obligation and his election hereby, whereupon the trustee shall in the time and place of sale, give notice of 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 advertisement and sale trustee for the trustee sale, the grantor or other person on the date set by the ORS 86.760, may pay to the beneficiary or his successors so privileged by law, the entire amount then due to the beneficiary or his successors in interest, representing the obligation secured thereby (including under the terms of the trust or deed, including the terms of the obligation all costs and expenses actually incurred in effecting the sale of the property, including the costs of advertising and the principal 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 null and void.

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 and place which said sale may be postponed as provided by law. The trustee may sell such said sale may consist of one or more parcels and shall sell the parcel or parcels at auction to the highest bidder and shall deliver to the purchaser its deed payable at the time of sale if the property so sold, but without any covenant or warranty, express or implied. This instrument is in the deed of any matters of title, 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 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 interest may appear in the order of the priority and (4) the surplus, if any, to the grantor or to his successor in interest.

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 named hereunder. Upon such appointment, and until the convenience to the successor trustee here, the latter shall be vested with all the powers and duties conferred upon the trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument, and its place of record, and substitution shall be made by written instrument, and its place of record, and substitution shall be made by written instrument. Clerk or Recorder of the county or counties in which the property of this trust described shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust.

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.

7957

~~XXXXXXXXXXXX~~ Purposes ~~XXXXXXXXXXXX~~

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

By Deputy

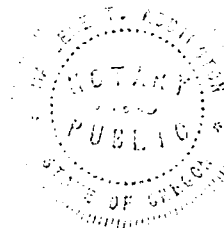
EXHIBIT "A"

THIS TRUST DEED IS AN "ALL INCLUSIVE TRUST DEED" AND SECOND AND SUBORDINATE TO THE TRUST DEED NOW OF RECORD DATED SEPTEMBER 28, 1983 AND RECORDED SEPTEMBER 28, 1983 IN BOOK M-83 AT PAGE 16688 IN OFFICIAL RECORDS OF KLAMATH COUNTY, IN FAVOR OF RICHARD W. GRAHAM and LINDA D. GRAHAM, AS BENEFICIARY WHICH SECURES THE PAYMENT OF A NOTE THEREIN MENTIONED. KENNETH KINSMAN AND LINDA KINSMAN, HUSBAND AND WIFE, BENEFICIARY HEREIN AGREES TO PAY WHEN DUE, ALL PAYMENTS DUE UPON THE SAID PROMISSORY NOTE IN FAVOR OF RICHARD W. GRAHAM AND LINDA D. GRAHAM, AND WILL SAVE TRUSTOR HEREIN, DONALD E. MERRITT AND SHEILA A. MERRITT, HARMLESS THEREFROM. SHOULD THE SAID BENEFICIARY HEREIN DEFAULT IN MAKING ANY PAYMENTS DUE UPON SAID PRIOR NOTE AND TRUST DEED, TRUSTOR HEREIN MAY MAKE SAID DELINQUENT PAYMENTS AND ANY SUMS SO PAID BY TRUSTOR HEREIN SHALL THEN BE CREDITED UPON THE SUMS NEXT TO BECOME DUE UPON THE NOTE SECURED BY THIS TRUST DEED.

STATE OF OREGON,

County of Klamath } ss.

On this the 14th day of May, 19 84 personally appeared SHEILA A. MERRITT who, being duly sworn (or affirmed), did say that she is the attorney in fact for DONALD E. MERRITT and that he executed the foregoing instrument by authority of and in behalf of said principal; and she acknowledged said instrument to be the act and deed of said principal.



Before me:
W. D. D. Addington
Notary Public for Oregon.
My Commission expires 3-22-85

ATTORNEY IN FACT ACKNOWLEDGMENT
Form No. 0-15
(Previous Form No. Form 159)

STATE OF OREGON: COUNTY OF KLAMATH:ss

I hereby certify that the within instrument was received and filed for record on the 14th day of May A.D., 19 84 at 3:46 o'clock P M, and duly recorded in Vol M84, of Mortgages on page 7956.

Fee: \$ 12.00

EVELYN BIEHN, COUNTY CLERK
by: Pam Smith, Deputy