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Re-recorded to correct legal description
Vol. M85 Page 12937
Vol. M85 Page 12469

THIS TRUST DEED, made this 7 day of August, 1985, between David Kalus and Ilene Kalus, husband and wife, as Grantors, Michael L. Spencer as Trustee, and Helen E. Hamilton and Lloyd E. Hamilton, husband and wife, as Beneficiary(ies),

WITNESSETH:

See attached Legal Description

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:
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 according to the terms of a promissory note of even date herewith, interest hereon secured by this instrument is the date, stated above, 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 January 18, 1989.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the debt secured by this instrument 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 due and payable.

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

1. 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 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 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 an amount not less than \$2,650.00, 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; if 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 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 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,

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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 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 make such payment, beneficiary may, at its option, make payment hereby together with the paid, with interest at the rate set forth in the note secured hereof, and the amount to obligations described in paragraphs 6 and 7 of this trust deed, without waiver of any rights arising become a part of the debt secured by this trust deed, as well as the grantor, shall be bound to from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, 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 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 evidence of title and the beneficiary's or deed, to pay all costs and expenses, including attorney's fees mentioned in this paragraph 7 in trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge 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 as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorneys' 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 secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments 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 lien or charge thereof; (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 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

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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 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 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.

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 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 obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding the amounts provided by law) other than such portion of the principal as would not, then be due and no default occurred, and thereby cure the default, in 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 one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for 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. 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 by trustee's attorney, (2) to the obligation secured by 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 successor trustee appointed hereunder. Upon such appointment, and 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 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.

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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.

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 (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.

David Kalvs

Ilene Kalvs

STATE OF OREGON, County of Klamath) ss. Aug. 7, 1985.

Signatures of grantors having been entered this 7 day of August, 1985 by the Clerk of the Circuit Court pursuant to an Order of Judge Abram, Klamath County Circuit Judge, attached hereto as Exhibit "A".



Scott M. Bessie
Court Clerk

Do not lose or destroy this trust deed OR THE NOTE which is secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

DAVID & ILENE KALVS

Grantor

HELEN & LLOYD HAMILTON

Beneficiary

After Recording Return To:

OSBORNE & SPENCER
439 Pine Street
Klamath Falls, OR 97601

MOUNTAIN TITLE COMPANY, INC. has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

STATE OF OREGON,)

) ss.

County of Klamath)

I certify that the within instrument was received for record on the ___ day of ___, 19___, at ___ o'clock ___, and recorded in book/reel/ volume No. ___ on page ___ or as fee/ file/ instrument/ microfilm/ reception No. ___. Record of Mortgagees of said County.

Witness my hand and seal of County affixed.

Name

Title

BY

Deputy

13001

The following described real property in Klamath County, Oregon:

Beginning at the most Northerly corner of Lot 8 in Block 60 in NICHOLS ADDITION to the City of Klamath Falls, Oregon; thence at right angles in a Southeasterly direction to Grant Street 120 feet; thence Southwesterly and parallel with Grant Street 43 $\frac{1}{3}$ feet; thence Northwesterly at right angles with Grant Street 120 feet; thence Northeasterly along the Southerly line of Grant Street 43 $\frac{1}{3}$ feet to the point of beginning, being the Northeasterly 43 $\frac{1}{3}$ feet of Lot 8 of Block 60, NICHOLS ADDITION to the City of Klamath Falls, Oregon.

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IN THE CIRCUIT COURT OF THE STATE OF OREGON
FOR THE COUNTY OF KLAMATH

HELEN E. HAMILTON and LLOYD E.
HAMILTON,

Plaintiffs,

vs.

DAVID KALUS and ILENE KALUS,

Defendants.

Case No. 84-581 CV

ORDER

THIS MATTER having come before the Court upon the Motion of the Plaintiffs, by and through their attorneys, Osborne and Spencer, for an Order requiring the Clerk of the Court to enter the signatures of the Defendants on the Trust Deed pursuant to Stipulated Judgment herein, the Court having reviewed the records and files herein and having heard arguments of counsel;

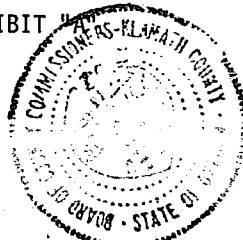
NOW, THEREFORE, IT IS HEREBY ORDERED that the Clerk of this Court enter the signatures of David Kalus and Ilene Kalus upon the Trust Deed which is attached hereto and those signatures shall have the same effect as though the Defendants, David Kalus and Ilene Kalus, executed said Trust Deed themselves. After said Trust Deed has been executed, it should be returned to Plaintiffs' attorney for recording.

DATED this 11 day of July, 1985.

CIRCUIT JUDGE

OSBORNE AND SPENCER
ATTORNEYS AT LAW
439 PINE
KLAMATH FALLS, OR 97601
(503) 884-8152

EXHIBIT



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 7th day
of August A.D., 19 85 at 11:47 o'clock A M., and duly recorded in Vol. M85
of Mortgages on Page 12469

FEE \$21.00

INDEXED

Evelyn Biehn

County Clerk

By

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 16th day
of August A.D., 19 85 at 3:17 o'clock P M., and duly recorded in Vol. M85
of Mortgages on Page 12997

FEE \$25.00

Evelyn Biehn,

County Clerk

By