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## TRUST DEED

THIS TRUST DEED, made this 27th day of December, 1985, between

RICHARD C. MC COLLAM

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, 1985, between

as Trustee, and

as Grantor, MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY

BERT T. KING, JR.  
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

Lot 54, FAIR ACRES SUBDIVISION NO. 1, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon. EXCEPTING THEREFROM that portion conveyed to Klamath County for the widening of Homedale Road recorded December 5, 1963, in Volume 357, page 511, Deed Records of Klamath County, Oregon.

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 TWO THOUSAND AND NO/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 per terms of note. 19

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 and to remove any debris, trash, building or environmental hazard and to remove any waste or use of said property.

2. To complete or cause prompt and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereto and pay when due all costs incurred thereto.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property if the beneficiary so requires, in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary so requires and to pay for filing same in the proper public office or offices as well as the cost of all examinations made by title 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 land 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 100% of the value of the lesser of the actual cash value or insurance acceptable to the beneficiary, with loss payable to the lesser of the policies of insurance shall be delivered to the beneficiary as soon as practicable if the grantor shall fail for any reason to provide the same and to deliver said policies to the beneficiary or to hold them in his or her possession in the expense of one policy of insurance. The beneficiary may require the name of grantor's insurer. The amounts collected under any fee or other insurance policy may be applied by the beneficiary toward any indebtedness unpaid thereby and in such order as beneficiary may determine or at option of beneficiary, the entire amount so collected or any part thereof may be retained by grantor. Such application or release shall not cure or waive any default or notice of default hereunder or immediate or act alone pursuant to such notice.

5. To keep said premises free from construction, encumbrances 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 become past due or delinquent and promptly deliver receipts therefore to beneficiary should the grantor fail to make payment of the taxes, assessments, insurance premiums, fees or other charges payable by grantor either by direct payment or by providing beneficiary with funds sufficient to make such payment. Beneficiary may deduct from any payment thereto and the amount so paid will reduce the rate of interest on the note secured hereby together with the amount described in paragraphs 6 and 7. If this trust deed is released or discharged, the amount so deducted will become a part of the debt secured by this trust deed, without regard to any right arising from breach of any of the provisions hereof, and for such payments, with interest as aforesaid, the proportionate amounts described, as well as the grantor, shall be bound to the extent stated that they are bound for the payment of the obligation herein described and all such payments shall be immediately due and payable with full notice and the compensation thereto shall be at the option of the beneficiary, lesser of all sums so received by the trust deed immediately due and payable and compensation of the trust deed.

6. To pay all costs, fees and expenses of this trust, including the cost of title search as well as the other taxes 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, pertaining to 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 recovery of any of their debt, to pay all costs and expenses, including evidence of loss, incurred in this paragraph. In all cases shall be issued 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 judge reasonable to the beneficiary's or trustee's attorney's fees in 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 he able to compensate him 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 and applied by him from any reasonable monies and expenses and attorney's fees both in the trial and appellate courts necessarily paid or incurred by him, liability in such proceedings and the balance applied upon the indebtedness secured hereby and grantor agrees at his 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 after the date of this trust upon written request of beneficiary payment of its fees and presentation of the deed and the note, he may endorse the same for cancellation, without affecting the liability of any person for the payment of the indebtedness. trustee may

NOTE: The Trust Deed Act provides that the trustee hereunder may 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 the state, its subdivisions, off-limits agents or branches, the United States or any agency thereof, or an estate agent licensed under ORS 696.529 to 696.585.

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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 except Trust Deed recorded in Volume MB3, page 19322, Microfilm Records of Klamath County, Oregon in favor of Thomas O. Hale and Ruby J. Hale, husband and wife 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 or household purposes (see Important Notice below).

This deed applies to, insures 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 striking 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 use Stevens-Miss Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

*Richard C. Mc Collam*  
RICHARD C. MC COLLAM

STATE OF OREGON  
County of Klamath  
This instrument was acknowledged before me on  
January 19, 1986, by  
RICHARD C. MC COLLAM  
*Kristi L. Redd*  
(SEAL)  
Notary Public for Oregon  
My commission expires 11/16/87

STATE OF OREGON.  
County of \_\_\_\_\_  
This instrument was acknowledged before me on  
19, by  
as  
of  
Notary Public for Oregon  
My commission expires \_\_\_\_\_  
(SEAL)

TO

REQUEST FOR FULL RECONVEYANCE  
to be used only when obligations have been paid

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

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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.

Beneficiary

## TRUST DEED

(Form No. 857)

STEVENS MEAD LAW FIRM CO. PORTLAND, ORE.

Richard C. Mc Collam

Bert T. King, Jr.

Grantor

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON,  
County of Klamath } as  
I certify that the within instrument  
was received for record on the 1st day  
of January 1986  
at 2:31 o'clock P.M. and recorded  
in book/reel/volume No 1986 on  
page 506 or as file/instrument/  
microfilm/reception No. 57113  
Record of Mortgages of said County.  
Witness my hand and seal of  
County affixed.

Evelyn Biehn, County Clerk  
By *P. A. Smith* Deputy

AFTER RECORDING RETURN TO  
MOUNTAIN TITLE COMPANY OF  
KLAMATH COUNTY

Fee: \$0.00