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57368

TRUST DEED

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THIS TRUST DEED, made this 15th day of January

RICHARD R. AND KATHERINE A. BATSELL
as tenants by the entirety
WILLIAM P. BRANDSNESS
SOUTH VALLEY STATE BANK

19 86, between

as Grantor,

as Trustee, and

as Beneficiary.

THIS IS ONE OF FOUR DOCUMENTS SECURING THIS LOAN.

WITNESSETH

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as THE WEST ONE-HALF OF LOT 4 IN BLOCK 7, FIRST ADDITION TO PINEGROVE PONDEROSA, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

A PORTION OF LOTS 15 THROUGH 18 IN BLOCK 6, ST. FRANCIS PARK, IN THE COUNTY OF KLAMATH, STATE OF OREGON, DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWEST CORNER OF LOT 18 OF BLOCK 6 IN ST. FRANCIS PARK AND RUNNING THENCE SOUTH ALONG THE WEST LINE OF SAID LOT, 46' 8" TO AN IRON PIN WHICH MARKS THE TRUE POINT OF BEGINNING; THENCE EAST TO AN IRON PIN ON THE EAST LINE OF LOT 15 IN SAID BLOCK 6 WHICH IS 46' 8" SOUTH FROM THE NE CORNER OF SAID LOT 15; THENCE SOUTH ALONG THE EAST LINE OF SAID LOT 15 A DISTANCE OF 46' 8" TO AN IRON PIN; THENCE WEST TO AN IRON PIN ON THE WEST LINE OF LOT 18 WHICH IS SOUTH ALONG SAID WEST LINE A DISTANCE OF 46' 8" FROM THE POINT OF BEGINNING; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 18 TO THE POINT OF BEGINNING, ALL BEING THE CENTER OF 46' 8" OF LOTS 15 THROUGH 18 IN BLOCK 6 IN ST. FRANCIS PARK.

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 ONE HUNDRED FIVE THOUSAND AND NO/100

With rights to future advances and renewals 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 legal payment of principal and interest hereof, if not sooner paid, to be due and payable JANUARY 15 19 87

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

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 convert or permit any waste of said property

2 To complete or improve any building or improvement 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 in writing 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 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 premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require in companies acceptable to the beneficiary and loss payable to the latter all policies of insurance shall be delivered to the beneficiary as soon as issued or if the grantor shall fail for any reason to procure any such insurance and in lieu 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 to pay 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 constitute any default or notice of default hereunder or invalidate any action hereunder in 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 become past due or delinquent and promptly deliver receipts therefor in handwriting 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 therefor 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 the trust deed shall be added to and become a part of the debt secured by the trust deed without release of any rights arising from breach of any of the covenants hereunder and for such payments as well as the grantor shall be bound to the same extent that they are bound for the payment of the obligation described and all such payments shall be immediately due and payable with notice and without demand or assignment of the beneficiary under all sums secured by the 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 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, the trust by the trial court and on appeal from any judgment or decree rendered by the trial court grantor further agrees to pay such sums 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 in compensation for such taking which are in excess of the amount required to pay all reasonable costs expenses and attorney's fees necessarily 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 loan and presentation of this deed and the note for endorsement (in case of full reconveyance 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 subdivision or other agreement affecting this deed or the lien or charge thereon (d) reconvey without warranty all or any part of the property The beneficiary agrees to execute and deliver to the person or persons legally entitled thereto and the records thereon 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 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 to pay costs and expenses of operation and collection including reasonable attorney's fees 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 constitute 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 to sell the said described real property to satisfy the obligations secured hereby whereupon the trustee shall in 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 for the trustee to sell the trustee shall the grantor or other person so privileged by the ORS 86.740 may pay in the beneficiary or his successors in interest respectively the entire amount then due under the terms of the trust deed and the obligation secured hereby 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 had 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 records in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof Any person, including 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 in payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney (2) the indebtedness secured by the trust deed (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as those interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successors in interest entitled to such surplus

16 For any reason permitted by law beneficiary may from time to time appoint a successor in possession of 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 named or appointed hereunder Each such appointment and substitution shall be 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

17 Trustee accepts the 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 issue title to real property of this state; a subordinated officer, agent or branches of the United States or any agency thereof; or an escrow agent licensed under ORS 90A.505 to 90A.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) ~~for the purpose of securing the loan~~ (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

* 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. 1303 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.

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

STATE OF OREGON,)
County of Klamath) ss.
January 15, 19 86
Personally appeared the above named
RICHARD R. AND KATHERINE A BATSELL
as tenants by the entirety

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

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

and acknowledged the foregoing instrument to be his/her voluntary act and deed
Before me
(OFFICIAL SEAL) *[Signature]*
Notary Public for Oregon
My commission expires 4-17-89

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

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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. 881.1)

STEVENS-NESS L.L.B. PUB. CO. PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO
SOUTH

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 17th day of January, 19 86, at 3:43 o'clock P.M. and recorded in book reel volume No. 136 on page 926 or as document fee file instrument/microfilm No. 57363. Record of Mortgages of said County.

Witness my hand and seal of County affixed

Evelyn Biehn, County Clerk

By *[Signature]* Deputy