

OC

57556

APR 15 1987  
TRUST DEED

Vol M86 Page 1234

1986

THIS TRUST DEED, made this 15th

day of January

Joseph Michael Hohman, a married person  
Jeffrey D. Ball, City Attorney

as Grantor,

City of Klamath Falls, a municipal corporation  
as Beneficiary.Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property  
in Klamath County, Oregon, described as:Lot 16, EXCEPT the Westerly 13 feet thereof, in Block 72 of BUENA VISTA ADDITION  
to the City of Klamath Falls, according to the official plat thereof on file  
in the office of the county Clerk of Klamath County, Oregon. Further described  
as 600 Prescott Avenue

## WITNESSETH:

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 thousand nine hundred ninety-two and 50/100ths

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 upon sale.

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.

1. To protect the security of this trust deed, grantor agrees and agrees, not to remove or demolish any building or improvement thereon, nor 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 all costs incurred therewith.

3. To comply with all laws, ordinances, regulations, covenants and restrictions affecting said property, if the beneficiary so requires, in executing such financial statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for him services made by third officers or managing agents as may be deemed desirable by the beneficiary.

4. To provide and conveniently maintain insurance on the buildings and other property on the said premises against loss or damage by fire and such other hazards as the beneficiary may require in an amount not less than \$700,000.00.

5. To keep said premises free from construction loans and to pay all taxes, assessments and other charges that may be levied or assessed upon said property before same part of such taxes, assessments and other charges become due or delinquent and promptly defere payment thereof to beneficiary should the grantor fail to make payment of same taxes, assessments, insurance premiums, items or other charges payable by grantor either by direct payment or by providing beneficiary with funds with which to make such payment, or 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 on the rate of interest in the note would thereby become part of the debt secured by this trust deed.

6. To keep said premises free from construction loans and to pay all taxes, assessments and other charges that may be levied or assessed upon said property before same part of such taxes, assessments and other charges become due or delinquent and promptly defere payment thereof to beneficiary should the grantor fail to make payment of same taxes, assessments, insurance premiums, items or other charges payable by grantor either by direct payment or by providing beneficiary with funds with which to make such payment, or 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 on the rate of interest in the note would thereby become part of the debt secured by this trust deed.

7. To keep said premises free from construction loans and to pay all taxes, assessments and other charges that may be levied or assessed upon said property before same part of such taxes, assessments and other charges become due or delinquent and promptly defere payment thereof to beneficiary should the grantor fail to make payment of same taxes, assessments, insurance premiums, items or other charges payable by grantor either by direct payment or by providing beneficiary with funds with which to make such payment, or 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 on the rate of interest in the note would thereby become part of the debt secured by this trust deed.

8. To keep said premises free from construction loans and to pay all taxes, assessments and other charges that may be levied or assessed upon said property before same part of such taxes, assessments and other charges become due or delinquent and promptly defere payment thereof to beneficiary should the grantor fail to make payment of same taxes, assessments, insurance premiums, items or other charges payable by grantor either by direct payment or by providing beneficiary with funds with which to make such payment, or 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 on the rate of interest in the note would thereby become part of the debt secured by this trust deed.

9. To keep said premises free from construction loans and to pay all taxes, assessments and other charges that may be levied or assessed upon said property before same part of such taxes, assessments and other charges become due or delinquent and promptly defere payment thereof to beneficiary should the grantor fail to make payment of same taxes, assessments, insurance premiums, items or other charges payable by grantor either by direct payment or by providing beneficiary with funds with which to make such payment, or 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 on the rate of interest in the note would thereby become part of the debt secured by this trust deed.

10. To appear 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 enforcement of this deed to pay all costs and expenses of defending, defending the title and the beneficiary's attorney's fees, the amount of attorney's fees mentioned in the paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal such judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable to the beneficiary or trustee, or attorney's fees on such appeal.

11. It is mutually agreed that:

12. It is agreed 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, to the manner permissible in compensation 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 it first upon any reasonable costs and expenses and attorney's fees incurred in the trial and appellate courts, necessarily paid or incurred by beneficiary and grantor, as its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, primarily upon beneficiary's request.

13. 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 non-renewal 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) plan in subdivision or other agreement affecting this deed or the item or charge thereof, (c) 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 recordation of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fee for one of the services mentioned in the paragraph shall be not less than \$1.

14. Upon any default by grantor hereunder, beneficiary may at any time without notice, either written or by agent or by a lawyer, or by application to a court and without regard to the adequacy of any security, foreclose his or her rights in the indebtedness hereby secured, either upon and take possession and prop-

erty or any part thereof in its own name or in whatever name the rents and profits, including those past due and unpaid, and apply the same to care and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

15. 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 to property, and the application or release thereof, is deemed, shall not cure or remove any default notice of default hereunder or invalidates any agreement to such notice.

16. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare off sales secured hereby immediately due and payable. In such an event the beneficiary or his election may proceed to foreclose this trust deed or declare it a mortgage on behalf of the trustee in foreclosing this trust deed by advertisement and sale. In the latter event the beneficiary, or the trustee shall be entitled to record his written notice of default and his election to sell the said described real property to satisfy the obligation 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 86.715 to 86.795.

17. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.751 may cure the default or defaults. If the default consists of a failure to pay when due amounts secured by the trust deed, the default may be cured by paying the same, or amounts due at the time of the cure, other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by rendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's fees not exceeding the amounts provided by law.

18. Otherwise the sale shall be held on the date and at the time and place designated in the notice of sale or the time 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 the highest bidder for cash payable at the time of sale. Trustee shall deliver to the purchaser or to the bidder 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 matter 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.

19. 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), to the obligation incurred by the trust deed, to all persons having recorded home subscriptions to the interest of the trustee in the trust deed as their interests may appear in the order of their priorities and (3) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

20. 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 releasing title to the successor trustee, the latter shall be vested with all title, rights and duties transferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary which when recorded in the mortgage records of the county or counties in which the property is situated shall be conclusive proof of proper appointment of the successor trustee.

21. 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, heirs or executors of pending acts under any other deed of trust or of any action or proceeding in which grantor, beneficiaries 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

