

52945

TRUST DEED

STEVENS-NESS LAW FEE, CO., PORTLAND, OR. 97204

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STATE

February

KATHLEEN D. WALLACE,
WOMAN, JOHN E. WALLACE,
VETERAN, SIGNED IN THE PRESENCE OF:
MARYLEE H. BUTLER
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 28, Block 2, ROLLING HILLS SUBDIVISION, TRACT NO. 1099, according to the official plat thereof, on file in the office of the County Clerk of Klamath County, Oregon.

LKL021 DEED

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 TWO THOUSAND FIVE HUNDRED 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 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 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 theron.

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, officer or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings and such other hazards as the beneficiary may from time to time require, in an amount not less than \$1,000.00 insurable value, to the latter, written in policies acceptable to the beneficiary, with loss payable to the latter; all delivered 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 upon any life or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine; 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, 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, premiums, items 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 thereof, and the amount so paid, with interest at the rate set forth in the policy secured thereby, 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, without waiver of any rights arising from a breach of any of the covenants hereinabove described; the property hereinabove described, as well as the grantor, shall be bound to the payment of the obligation; herein described, and all such payments shall be immediately due and payable with 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.

To appear in and defend any action or proceeding respecting to 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 mentioned in this paragraph 7, in all cases shall be decided 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 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 for 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, 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 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 any partitioning or other agreement affecting this deed or the tenancy or charge thereto; (c) reconvey, without warranty, all or any part of the property. The beneficiary 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 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 life and other property, or the application or release thereof as aforesaid, shall not cure or purgation to such notice.

12. Upon default by grantor in payment of any indebtedness secured hereby 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 obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereto as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.733 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, the grantor or any other person so privileged by ORS 86.753, may cure the default by paying the amount due, when due, the default consists of a failure to pay, when due, the amounts secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure, other than such portion as would then be due had no default occurred. Any other default that is capable of being cured, may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default or 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 and attorney's fees not exceeding the amounts provided by law.

Otherwise, the sale shall be held on the date and at the time and place designated 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 or cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property, as paid, but without any covenant or warranty, express or implied. The recitals 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.

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 the trust deed, (3) to all persons having record title subsequent to the interest of the trustee in the trust property, as paid, but without any covenant or warranty, express or implied.

The recitals in the deed of any matter of fact shall be conclusive proof of the grantor and beneficiary, may purchase at the sale.

16. Beneficiary may from time to time appoint a successor or successor trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, 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.

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, or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585, or property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof.

