

60452

ATC 29781
TRUST DEED

Vol. M86 Page 6683

After recording return to: BENEFICIARY: Mellon Financial Services Corporation
Branch Office 2603 Crosby Ave.
address
Klamath Falls, Or, 97603

Grantors (Borrowers) James A. Barnes & Diana F. Barnes
name
5930 Logan Drive
address
Klamath Falls, Or, 97603

The Grantors above named are or may become indebted under the terms of a Revolving Loan Agreement dated 4/14/86 in the maximum principal amount of \$ 20000.00 to the beneficiary named above at the above office and evidencing advances made by said beneficiary up to the actual amount of the maximum principal thereof. Advances shall not be made more than 20 years from the date of the Revolving Loan Agreement and any balance remaining after 20 years shall be paid in full within 15 years, which is the date of maturity if not sooner paid.

The indebtedness secured by this deed of trust is a revolving line of credit. Funds may be advanced by beneficiary, repaid by grantor and subsequently readvanced by beneficiary. Notwithstanding the amount outstanding at any particular time this deed of trust secures the total indebtedness to the Maximum Principal Amount. Absent a default by grantor under the terms of the Revolving Loan Agreement all advances thereunder by beneficiary are obligatory and are secured by this deed of trust. All such obligatory advances will have the same priority as the funds initially advanced under the Revolving Loan Agreement. Default in making any payment shall, at the option of the beneficiary hereof and without notice or demand, render the entire outstanding balance unpaid thereon at once due and payable.

Grantors hereby convey to Trustee, Aspen Title Ins. Co., in trust with power of sale the following described property:

Lot 3, Block 1, COUNTRY GARDENS, in the County of Klamath,
State of Oregon.

The Grantors covenant to the Beneficiary that they are the owner of said property free of all encumbrances except

Old Stone Mortgage

and that they will warrant and forever defend the same against all persons.

Grantor warrants that the Real Property described herein is not used for agricultural, timber, or grazing purposes.

The Grantors agree: to maintain the property in good condition, not to remove or demolish any building; to provide insurance on the buildings now or hereafter erected in an amount of not less than the principal balance due upon this note or any note hereafter given for which this trust deed shall be security, said insurance to name the Beneficiary as the loss payee to the extent of an outstanding indebtedness, the policy to be delivered to the beneficiary; to keep the property free of all liens of any nature and to pay all taxes and assessments levied upon the property. In the event of the Grantors' failure to pay any taxes or liens, the Beneficiary may do so and add said sums to the Grantors' obligation at the rate of interest described thereon to be paid on the demand of the Beneficiary. In the event the right of eminent domain or condemnation is exercised in regard to said property any moneys received from said proceeding shall be applied to the above indebtedness until it is paid in full. If the Grantor sells or transfers the above described property such sale or transfer shall be an event of default.

Upon default by the Grantor hereunder, it is agreed Beneficiary may at any time enter upon and take possession of said property and may either proceed to foreclose this trust deed in equity as a mortgage in the manner provided by law for mortgage foreclosures or direct the Trustee to foreclose this trust deed by advertisement and sale in the manner provided for foreclosing a trust deed in ORS 86.705 to 86.795. Upon the foreclosure the Trustee shall apply the proceeds of the sale first to expenses of the sale, including reasonable attorney fees and compensation of Trustee in the proceeding, then to the obligation secured by the trust deed, then to all recorded liens subsequent to the interest of the Trustee as they may appear in the order of their priority and the surplus, if any, to the Grantors, or to their successors and interests entitled to such surplus.

The Beneficiary may from time to time appoint a successor or successor trustees. The successor trustee upon such appointment shall be vested with all title, powers and duties of the Trustee herein named. Grantors agree to pay all filing fees as well as the costs and disbursements in any proceedings to enforce this obligation.

Receipt of an exact copy of this document is hereby acknowledged by the undersigned.

State of Oregon)

County of Klamath) ss:

Personally appeared the abovenamed)

James A. & Diana F. Barnes

and acknowledged the foregoing instrument

to be their

voluntary act and deed

Notary Public for Oregon

02/24/88

(seal) My commission expires

Grantor

Grantor

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the 18th day
of April, A.D., 1986 at 3:34 o'clock P.M., and duly recorded in Vol. M86
of Mortgages on Page 6683

FEE \$5.00

Evelyn Biehn County Clerk
By Bernetha S. Ketch