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~~K-38635~~
TRUST DEED

STEVENS-NEG LAW PUBLISHING CO., PORTLAND, OR. 97201

Vol. M 8 Page 11204

THIS TRUST DEED, made this 20 day of June
 Ronald D. Smith and JoAnne K. Smith, husband and wife
 as Grantor, Klamath County Title Co.
 Mary Lou Stewart

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in _____
Klamath _____ County, Oregon, described as:

A portion of Block 41 of Hillside Addition to the official plat thereof in _____
Oregon _____

A portion of Block 41 of Hillside 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, more particularly described as follows: Beginning at a point on the Northwesterly line of Portland Street which is 50.0 feet Northeasterly from the Southwest corner of said Block 41; thence continuing Northeasterly along the Northwesterly line of Portland Street a distance of 120.0 feet to a point; thence Northwesterly parallel with the Southwest line of Hillside Avenue a distance of 150.0 feet to a point; thence Southwesterly parallel with the Northwesterly line of Portland Street a distance of 120.0 feet to a point; thence Southeasterly parallel with the Southwest line of Hillside Avenue a distance of 150.0 feet to the point of beginning.

FOR THE PURPOSE OF SECURING

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Eighty-three Thousand Seven Hundred Seventy-six and 85/100 Dollars, with interest thereon from the date of maturity of the note or order and made by the beneficiary or order and payable not sooner than the date hereof, to be due and payable on or before the day of _____, 19____.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said debt, conveyed, assigned or alienated by the grantor without first having obtained the written consent of the lender, then, at the beneficiary's option, all obligations secured by this instrument 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; not to remove or demolish; any building or improvement thereof; not to commit or permit any waste of said property;
2. To complete or restore promptly and in due manner any building or improvement thereof which has been damaged or destroyed thereon, and

to commit or permit the removal or demolition of said building; grantor agrees:
1. To complete or permit waste of said building or in good condition destroyed thereon.
2. To comply or improve promptly as in good condition destroyed thereon;
3. To pay when due all taxes which may be assessed in good and workmanlike manner and restrictions affecting same, or financial incurred thereon, damaged or joint in execution of such financing; if regulations, covenants, conditions, public office or secretary may request, to pay for the Uniform Commercial Code officers or clerks, as well as to pay for the Uniform Commercial Code beneficiary.

4. To provide and continuously maintain insurance on such other hazards as the said grantor may deem desirable by the

4. To provide and continuously maintain insurance on the buildings and other hazards as the beneficiary may from time to time require, in an amount not less than the insurable value of the buildings and other policies acceptable to the beneficiary, with loss payable to the latter; all the grantor shall fail for any reason to procure any such insurance to the benefit of any policy or insurance now or hereafter placed prior to the expiration of any term of insurance policy of the grantor's expense. The amount of any indebtedness secured hereby and may be applied in satisfaction of any part thereof, at option of beneficiary, and may be applied in satisfaction of any part thereof, at option of beneficiary, the entire amount so collected for beneficiary done pursuant to such default or notice. Such application so collected for beneficiary

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 such taxes, assessments, insurance premiums or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary, at its option, may make payment thereof, and the amount so paid, with interest as provided herein, shall be repaid to beneficiary, together with the obligations described in paragraph 6 hereof, by trust deed, shall be added to and become a part of the debt secured by trust deed, without waiver of any rights existing from breach of any covenants hereof and for such payments, with interest as aforesaid, of the same extent hereby described, as well as the grantor, shall be bound to the same extent hereby described, and if such payments are made by the proprietor notice, and if such payments are not made by the proprietor, the proprietor for all sums secured by this trust deed shall, at the option of the beneficiary hereof, constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust including title search as well as the other costs and expenses in connection with or in enforcement thereof, together with any fees actually incurred by the beneficiary.

[illegible]

15. It is mutually agreed that:

(a) In the event that any right or all of said property shall be taken from the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all compensation for such taking shall be taken to pay reasonable costs, expenses and attorney's fees incurred by beneficiary in such proceedings, which are in addition to the amount payable under the will; provided, however, that beneficiary shall be paid the balance payable under the will in such proceedings;

(b) Beneficiary shall be paid the balance payable under the will in such proceedings, necessarily paid by beneficiary and grantor hereby, and grantor agrees to execute such documents as may be required to carry out the balance payable under the will.

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 endorsement (in case of full reconveyances, for cancellation and the liability of any person for the same) to the Trustee and the Trustee's attorney, and the balance applied upon the indebtedness incurred by beneficiary, shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

(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 subordination or other agreement affecting this deed or the lien in any thereof; (d) reconvey, without warranty, all or any portion of the land herein granted in any reconveyance 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 otherwise, take possession of the indebtedness hereby secured, and without regard to the adequacy of any security or any part thereof, in its own name sue or otherwise collect the principal and profits, including those past due and unpaid, and apply the same to pay the principal and expenses of operation and collection, and apply the same to determine.

11. The

11. The entering upon and taking possession of said property, the collection of such rents and issues and profits for the proceeds of said property, the insurance policies or compensation or awards for the proceeds of fire and other property, and the application or release thereof as aforesaid, shall not constitute any default or notice of default hereunder or invalidate any or all of the provisions hereof pursuant to such notice.

12. Upon notice by grantor in writing to grantee that the premises hereunder hereby or in his performance by grantor in writing to grantee shall be declared in default hereunder, the indebtedness secured hereby, and in such order as beneficiary may determine, shall be due and collectible, and apply to the rents, issues and profits, and the proceeds of said property, and the proceeds of fire and other property, and the application or release thereof as aforesaid, shall not constitute any default or notice of default hereunder or invalidate any or all of the provisions hereof pursuant to such notice.

herby or in Upon default by Krantor in payment of any indebtedness secured hereunder or invalidate any act done or declared all in his performance of any agreement hereunder, the beneficiary may event the beneficiary a secured hereby immediately due and payable. The beneficiary in equity as a mortgage or direct the trustee to foreclose this trust deed by execution and cause to be recorded his written notice of default. In such an event to sell the said described real property. In the latter event the trustee shall hereby whereupon the trustee shall real property. In the latter event the trustee shall as the trustee shall real property. In the latter event the trustee shall as the trustee shall

13. After the trustee has commenced foreclosure by advertisement and sale, the grantor or any other person so privileged by ORS § 86.795 who is secured by the trust deed, if the default consists of nonpayment of principal or interest, may at any time prior to 5 days before the date the trustee conducts the sale, give notice in writing to the trustee to foreclose this trust deed in lieu of foreclosure.

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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 the trustee. The trustee may sell the property in parcels or separate parcels and shall sell the whole or any part of the property to the highest bidder and shall sell the whole or any part of the property to the purchaser for cash, payable at the time of or parcels of property so sold, but without any covenant or obligation on the part of the recitals in this deed of any part of the property so sold or parcels of property so sold, but without any covenant or obligation on the part of the Trustee or any of the parties to this deed, and the Trustee shall not be liable for any injury or damage to the property or to the persons or property of any person or persons attending the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall pay to the purchaser the net proceeds of the sale, after payment of the expenses of sale, including the compensation of the trustee and the reasonable expenses of sale, in full. (2) to the obligation of the trustee and a reasonably prudent person in the same position to pay to the purchaser the net proceeds of the sale, after payment of the expenses of sale, in full, if any interests may be claimed by the purchaser.

6. Beneficiary may from time to time appoint a successor or successors named herein or to any successor trustee appointed hereunder and the latter shall be vested with all title, powers and duties herein named or appointed or assigned or conferred to the successor or successors named or appointed hereunder. Each such trustee or property shall be named in the mortgaged written instrument.

Trustee accepts this trust when this deed, duly executed and
notified any party hereto of pending sale under any other
party unless such action of proceeding in which grantor is not

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.

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)* primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below),
(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. 1305 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 the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON, } ss.
County of Klamath }
June 20, 19 86.

Personally appeared the above named
Ronald D. Smith

and acknowledged the foregoing instrument to be his voluntary act and deed.
Before me:

(OFFICIAL SEAL)

Notary Public for Oregon

My commission expires: 8/27/87

STATE OF OREGON, County of _____, 19 _____ 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:

Notary Public for Oregon

My commission expires:

(OFFICIAL SEAL)

STATE OF OREGON, } ss.
County of Klamath }

On this the 20 day of June, 19 86 personally appeared Ronald D. Smith, who, being duly sworn (or affirmed), did say that he is the attorney in fact for JoAnne K. Smith, and that he executed the foregoing instrument by authority of and in behalf of said principal; and he acknowledged said instrument to be the act and deed of said principal.

Before me:

(Signature)

My Commission Expires: 8/27/87

(Title of Officer)

STATE OF OREGON, } ss.
County of Klamath }

I certify that the within instrument was received for record on the 26th day of June, 19 86, at 2:00 o'clock P.M., and recorded in book/reel/volume No. M86 on page 11204 or as fee/file/instrument/microfilm/reception No. 63030. Record of Mortgages of said County. Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk.

By _____ Deputy

TRUST DEED

(FORM No. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Grantor

Beneficiary

AFTER RECORDING RETURN TO
Klamath County Title Co.
Collection Escrow #

SPACE RESERVED
FOR
RECORDER'S USE

Fee: \$9.00