

OC

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SECOND TRUST DEED

Vol 12192 Page 12192

THIS TRUST DEED, made this 10th day of July, 1986, between MICHAEL W. FEILER and PENNY L. JACOBSON, not as tenants in common but with the right of survivorship, as Grantor, BEND TITLE COMPANY

as Trustee, and EVERETT TURNER REALTORS and MANZANITA PROPERTIES as Beneficiary.

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

Lots 1, 2, 3 and 4 in Block 4, Town of Chemult, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

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 Twelve Thousand Nine 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 in accordance with the terms of the note

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.

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 therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property, if the beneficiary so requests, to cause the beneficiary to execute and pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by title insurance companies or other agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings, improvements and contents thereof against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

5. To provide and continuously maintain insurance on the buildings, improvements and contents thereof against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

6. 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 the beneficiary.

7. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

8. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

9. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

10. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

11. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

12. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

13. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

14. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

15. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

16. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

17. To insure the premises against loss or damage by fire and other hazards as the beneficiary may from time to time require, in amounts acceptable to the beneficiary, with loss payable to the latter, all of which shall be delivered to the beneficiary as soon as insured, and the beneficiary shall have the right to require any such insurance and to cancel any policy of insurance now or hereafter placed on said buildings, improvements and contents thereof.

(a) consent to the making of any map or plat of said property, (b) join in subordinating any easement or creating any restriction thereon, (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon, (d) 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 by a receiver to be appointed by a court, and without regard to the adequacy of any security for the debt secured hereby, enter upon and take possession of said property, and in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same to the payment of the debt 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 sale 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 cure or waive 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 by advertisement and sale. In the latter event the beneficiary or the trustee shall sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall by 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 86.735 to 86.795.

13. 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 86.753, may cure sums 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 not 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 defaults, the person effecting the cure shall pay to the beneficiary all costs together with trustee's and attorney's fees not exceeding the amounts provided by law.

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 recitals in the deed of any matters 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, in attorney's fees, (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. 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 conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred 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.

17. Trustee is constituted, 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.

Notary Public for Oregon, by their duly authorized officer, who is an active member of the Oregon State Bar, a bank, trust company or other financial institution authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to issue title to real property, or a person authorized to do business under the laws of Oregon or the United States or any agency thereof, or an escrow agent licensed under ORS 86A.020 to 86A.025.

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 except Deed of Trust granted by Michael W. Feiler and Penny L. Jacobson to David H. Wirtz and Betty Jo Wirtz as beneficiaries in the amount of \$146,100.00, dated July 10, 1986, and recorded in Klamath County records 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.)

Michael W. Feiler
Penny L. Jacobson
Joseph A. Renfro
Witness

STATE OF OREGON)
) ss.
County of Deschutes)

On this 10th day of July, 19 86, Before me, a Notary Public in and for said County and State, personally appeared Joseph A. Renfro, known to me to be the same person whose name appears on the foregoing instrument as subscribing witness thereto and who, being duly sworn, acknowledged to me that he resides at Bend, in the County of Deschutes, State of Oregon, and that he knew the persons described in and who executed the foregoing instrument and that he was present and witnessed the execution of said instrument by Michael W. Feiler and Penny L. Jacobson

Joseph E. Black
Notary Public for Oregon

My commission expires 5/11/87

said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are attached 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: _____, 19 _____

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)

Feiler and Jacobson
Grantor
Everett Turner Realtors and
Manzanita Properties
Beneficiary

AFTER RECORDING RETURN TO
Everett Turner Realtors
851 N. W. Wall St.
Bend, OR 97701

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 11th day of July, 19 86, at 11:42 o'clock A.M., and recorded in book/reel/volume No. M86 on page 12192 or as fee/file/instrument/microfilm/reception No. 63576, Record of Mortgages of said County.
Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
NAME TITLE
By James H. [Signature] Deputy

Fee \$9.00