

Vol. 1186

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as Beneficiary,

WITNESSETH:

as Beneficiary,

WITNESSETH:

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

_____ in the County of Klamath,

Lot 7, Block 12, Tract No. 1064, FIRST ADDITION TO GATEWOOD, in the County of Klamath,
State of Oregon.

THIS TRUST DEED IS A SECOND TRUST DEED AND IS BEING RECORDED SECOND AND JUNIOR TO A FIRST TRUST DEED IN FAVOR OF KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION.

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.

PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the

FOR THE PURPOSE OF SECURING PERFORMANCE OF THE OBLIGATIONS OF THE PROMISOR, the sum of ONE THOUSAND AND NO/100 Dollars, with interest thereon according to the terms of a promissory note, is hereby paid to the promisee, and made by grantor, the final payment of principal and interest hereof, if

note of even date herewith, payable to beneficiary or order and made by grantor, the sum of \$1,000.00.

at maturity of Note, 19__

not sooner paid, to be due and payable _____

this instrument is the date, stated above, on which the final installment of said note
to maturity of the debt secured by described property, or any part thereof, or any interest therein is sold, agreed to be
by the written consent or approval of the beneficiary.

[illegible]

The above described real property is not subject to any other trust deed, mortgage, or other lien or encumbrance.

To protect the security of this trust deed, grantor agrees:

To protect, conserve and maintain said property in good condition and to make any improvements thereon;

1. To protect, preserve and maintain said property in good and workmanlike condition and repair; not to remove or demolish any building or improvement thereon; and permit any waste of said property.

2. To complete or improvement which may be constructed, damaged or manner any building or improvement when due all costs incurred therefor.

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 fees and searches made by filing offices or searching agencies as may be deemed desirable by the beneficiary, and to continuously maintain insurance on the buildings owned by the beneficiary, and to pay for the same, and to pay for any loss or damage by fire or other cause to the buildings owned by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than its full insurable value, written in and acceptable to the beneficiary, with loss payable to the latter; and to procure and continuously maintain insurance on the said buildings and to pay the cost thereof, for the reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter in force on said buildings, the beneficiary may procure the same at greater expense. The amount of any such insurance policy may be applied by the beneficiary to the payment of any fire or other insurance policy and in such order as the beneficiary may determine, or at option of the beneficiary the entire amount so collected, or any part thereof, may be retained to the grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to said premises free from construction liens and to pay all taxes and assessments levied or assessed upon or against the said premises.

any part thereof, and the grantor shall not be bound to pay or to cure or waive any default or notice of default in or non-payment of any such taxes, assessments or charges, and the grantor shall not be bound to do 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 of said such taxes, assessments and other charges, the grantor shall deliver receipts therefor 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; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by the grantor, either to the beneficiary or by providing beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment thereof by direct payment of such taxes, assessments and other charges, and the amount so paid, with interest at the rate set forth in the note secured by the promissory note, shall constitute a part of the debt secured by this hereby, 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 hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payment, with interest as aforesaid, the grantor, hereinbefore described, as well as the grantor, shall be bound to pay, and the beneficiary, hereinbefore described, shall be entitled to the payment of the obligation herein secured, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed.

6. All costs, fees and expenses of this trust including the cost of recording this trust deed, and all costs, fees and expenses of the trustee incurred in the performance of its duties, shall be paid by the grantor, hereinbefore described, and shall be added to and become a part of the debt secured by this hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payment, with interest as aforesaid, the grantor, hereinbefore described, as well as the grantor, shall be bound to pay, and the beneficiary, hereinbefore described, shall be entitled to the payment of the obligation herein secured, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's actually incurred.

of title search as to or in enforcing this obligation and the fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights and powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including action or proceeding to foreclose of this deed, to pay all costs and expenses, including attorney's fees; and to defend the beneficiary or trustee's attorney's fees; and to furnish evidence of title and the beneficiary in this paragraph 7 in all such action or proceeding, and to defend the beneficiary's attorney's fees on such account of attorney's fees incurred in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay the sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

ney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall have the under the right of eminent domain or condemnation, beneficiaries shall have the right, if it so elects, to require that all or any portion of the monies payable as 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, or in such proceedings, shall be paid to beneficiary and incurred by, first upon any reasonable costs and expenses and attorney's fees, applied by the trial and appellate courts necessarily paid or incurred by, both in the trial and appellate courts and the balance applied upon the interest accrued in such proceedings, and the balance applied upon the interest accrued hereby; and grantor agrees at its own expense, to take such actions and execute such instrumentality as shall be necessary in obtaining such compensation, as 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 reconveyances, 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 granting any easement or agreement affecting this deed or any part of the property; (c) subordinate their claims to the title of the person or persons named as the grantee hereof; (d) reconvey, without warranty, all the interest herein described as the "person or persons entitled to receive the proceeds"; (e) execute and deliver such documents as may be required by the person or persons named as the grantee hereof; (f) defend, protect and support the validity of the legally entitled thereto, and the recitals therein of any matters or facts which may be conclusive proof of the truthfulness thereof. Trustee's fees for all services performed by him in this paragraph shall be not less than \$500 per hour, hereinafter may at any

[illegible]

less costs and expenses, and the net proceeds of the sale of said property, shall be paid to the beneficiary named herein, and the beneficiary may determine:

1. 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 of the insurance policies or compensation of 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.

2. The receipt by grantor in payment of any indebtedness secured by the property, shall not constitute a release of the property, and the beneficiary may

[illegible]

13. After the trustee has commenced foreclosure by advertisement and the sale, and at any time prior to 5 days before the date the trustee conducts the sale, and any other person so privileged by ORS 86.753, may cure the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, 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 at the time of the cure. If the other default that is capable of being cured may be cured by tendering, in addition to curing the default, the obligation or trust deed. In any case, in addition to curing the default, 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 which said sale may

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 or in separate parcels and shall be at the time of sale of the parcel or parcels to the highest bidder for cash in full at the time of sale or in cash to the purchaser or in cash or in kind as required by law or in kind to the purchaser or in cash or in kind without any covenant or warranty, the property so sold but without any matters of law shall be conclusive proof of the truthfulness thereof. Any person, except the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. The grantor and trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, (2) the charge by trustee's commission, (3) the compensation of the trustee and (4) the balance to be paid to the persons entitled to the proceeds of the sale. (2) to the obligation secured by the deed, (3) to all persons having recorded liens subsequent to the date of the deed, and (4) the balance to be paid to the grantor or to his successor in interest entitled to such 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 trustee appointed here-
to by any trustee named herein or to any successor trustee appointed here-
under. 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 by instrument executed by beneficiary,
and substitution shall be made by written instrument recorded by beneficiary,
which, when recorded in the mortgage records of the county of 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.

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 or household purposes (see Important Notice below),
(b) for an organization, or (even if grantor is a natural person) are for business or commercial 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 use Stevens-Ness Form No. 1319, 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 acknowledgement opposite.)

STATE OF OREGON,

County of Klamath } ss.

This instrument was acknowledged before me on July 17, 1986 by

Gary Lee Fanning and Sandra E. Fanning

Fanning

(SEAL)

Notary Public for Oregon

My commission expires: 6-21-88

STATE OF OREGON,

County of _____ } ss.

This instrument was acknowledged before me on _____, 19____, by _____

as _____

of _____

Notary Public for Oregon

My commission expires: _____

(SEAL)

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you 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)

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

Gary Lee Fanning

Sandra E. Fanning

David W. Crockett

Dorothy E. Crockett

Grantor

Beneficiary

AFTER RECORDING RETURN TO

Paddock Real Estate Co.
2972 S. 67th Street
Klamath Falls, Oregon
97603

SPACE RESERVED
FOR
RECORDER'S USE

Fee: \$9.00

STATE OF OREGON,

County of Klamath } ss.

I certify that the within instrument was received for record on the 17th day of July, 1986, at 3:46 o'clock P.M., and recorded in book/reel/volume No. M86 on page 12563 or as fee/file/instrument/microfilm/reception No. 63782, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Eve-Lyn Riehn, County Clerk.

By [Signature] Deputy