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K-38730

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

TRUST DEED

Vol. 1180 Page 20534

THIS TRUST DEED made this 23rd day of October, 1986, by and between LEISURE LODGE, INC., a California corporation

as Grantor, Klamath County Title Company, as Beneficiary, L. D. MINOR and OMA MINOR, husband and wife, as joint tenants, as Trustee, and

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

WITNESSETH:

LEISURE LODGE

SEE DESCRIPTION ATTACHED HERETO AS EXHIBIT "A"

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 Forty-five Thousand Two Hundred Thirty-three and 15/100 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 January 1, 1987.

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:
 - To protect, preserve and maintain said property in good condition and to repair, not to remove or demolish any building or improvement thereon, and to permit any waste of said property.
 - 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.
 - 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 proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.
 - 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 \$_____.
 - 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.
 - To make payment of any taxes, assessments, premiums, liens 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, therefor, hereby, together with interest at the rate set forth in the note secured by this deed, shall be added to and become a part of the debt secured by this deed, without waiver of any rights arising from breach of any of the covenants hereof, and for such payments, with interest as aforesaid, of the same extent, that they are bound for the payment of the obligation; the out notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this deed immediately due and payable.
 - 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 purporting to affect the security rights or powers of beneficiary or trustee, and in any suit, 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 amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed 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:
 - 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 as compensation for such taking, which are in excess of the monies payable to pay all reasonable costs and expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and 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 action and execute such instrument as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.
 - Payment of its fees 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 creating any restriction thereon; (c) join in subordinating or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property, 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.
- 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, in its own name sue or otherwise collect said property, less costs and expenses of operation and collection, and apply the same, less any amount of any indebtedness secured hereby, and in such order as beneficiary may determine.
- 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 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.
- 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 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 thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.
- 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 the default or defaults. If the default consists of a failure to pay, when due, the entire amount due at the time of the cure other than such portion as would 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 and expenses actually incurred in enforcing the obligation of the trust deed by law.
- 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, of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.
- 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, having recorded liens subsequent to the trust deed; (2) to all persons surplus, if any, to the grantor or to his successor in interest entitled to such surplus.
- 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.
- 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, 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.

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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.

(a) * 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, 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.

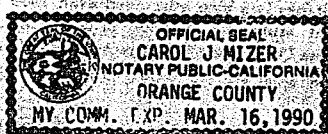
***IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable, and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act (and Regulation Z), the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose use Steven-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.**

STATE OF OREGON, County of ORANGE

**STATE OF CALIFORNIA)
COUNTY OF ORANGE) SS:**

On this 13th day of October, in the year 1986, before me, a Notary Public, personally appeared Emery H. Owens, and Carol J. Mizer, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as president and secretary or on behalf of the corporation therein named and acknowledged to me that the corporation executed it pursuant to authority of its By-laws or Board of Directors.

Witness my hand and official seal.



Carol J. Mizer
Notary Public

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. 821)

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

Grantor
Beneficiary

AFTER RECORDING RETURN TO
LEISURE LODGE INC. 931
THIS TRUST DEED

88080

TRUST DEED

STATE OF OREGON,
County of ORANGE } SS.

I certify that the within instrument was received for record on the 13th day of October, 1986, at 10 o'clock AM, and recorded in book/reel/volume No. on page or as fee/file/instrument/reception No. .
Record of Mortgages of said County.
Witness my hand and seal of County affixed.

NAME TITLE
By Deputy

EXHIBIT "A"

20536

Parcel 1:

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 26, and 34, Block 1.
Lots 4, 5, 6, and 7, Block 2.
Lots 8, 11, 12, and 16, Block 3.
Lots 1, 3, 4, 6, 7, and 8, Block 4.

All of Tract No. 1074, LEISURE WOODS, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

Parcel 2:

N $\frac{1}{2}$ SE $\frac{1}{4}$ and SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7, Township 24 South, Range 7 East of the Willamette Meridian.

Parcel 3:

The North 230 fee tof the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7, Township 24 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying West of the Westerly right of way line of State Highway No. 58.

Also a portion of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 7, Township 24 South Range 7 East of the Willamette Meridian, described as follows: Beginning at a 2 inch pipe with Brass cap marking the intersection of the North line of the NE $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 7 with the Easterly right of way line of Highway No. 58; thence N. 89° 49' 08" E. along said North line a distance of 70.0 feet; thence S. 16° 21' 06" E., parallel with the Easterly line of Highway No. 58, a distance of 104.2 feet; thence S. 89° 49' 08" W. a distance of 70.0 feet to the Easterly right of way line of said Highway No. 58; thence N. 16° 21' 06" W., along said right of way line a distance of 104.2 feet to the point of beginning.

Parcel 4:

That portion of the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 7, Township 24 South, Range 7 East of the Willamette Meridian, lying Southerly and Easterly of Leisure Woods.

Return to:
James Rozek, Attorney at Law
1750 South Broadway, Suite F
Santa Maria, California 93454

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____
of _____ November _____

A.D. 19 86 at 8:36 o'clock A M., and duly recorded in Vol. _____ the 13th day
on Page 20534 M86

FEE \$13.00

By Evelyn Biehn, _____ County Clerk
[Signature]