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•TRUST DEED

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THIS TRUST DEED, made this 7th day of September, 1987, between
JONES, KOKO AND DANE M. KISSEL, JR., as Grantor,
ASPEN TITLE & ESCROW, INC., an OREGON CORPORATION as Trustee, and **FN REALTY SERVICES, INC., a CALIFORNIA CORPORATION**, TRUSTEE as Beneficiary.

Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property in KLAMATH COUNTY, OREGON, described as:

Lot 2 in Block 21 of Tract 1113-Oregon Shores-Unit 2, as shown on the map filed on December 9, 1977 in Volume 21, Page 20 of Maps in the office of the County Recorder of said County.

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 NTNS Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable Sept 15, 1999.

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 that within described property, or any part thereof, or any interest therein is sold, 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 date expressed therein, or hereinafter, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

1. 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 commit or permit any waste of said property.

2. To complete or restore prompt and in good and workmanlike manner any building or improvement thereon; not to commit or pay when due all costs incurred thereby.

3. 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 filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officer, or searching agencies as may be deemed desirable 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 \$10,000.00.

5. To keep said premises free from construction debris 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 payable, and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance 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, in the note secured hereby, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraph 6 and 7 of this trust deed shall be added to the obligations described in paragraph 8 of this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such amounts as will become a part of the debt secured hereby as well as the grantor, shall be bound to the same extent that payments shall be immediately due and payable, without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust.

6. 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 this obligation.

7. To appear in and defend any action or proceeding purporting to affect the 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 evidence of title and the beneficiary's or trustee's attorney's fees provided, however, in case the suit is brought by the grantor and the beneficiary or trustee, then the prevailing party shall be entitled to the attorney's fees herein described; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court or by the appellate court if an appeal is taken.

It is mutually agreed that:

8. 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 amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, as necessary, paid or incurred by beneficiary, in such proceedings, and the balance obtained upon the indebtedness secured hereby; in such proceedings, and the balance obtained upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon 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 reconveyance, 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

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 titled thereto.

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 life insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, or the United States or any agency thereof.

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