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TRUST DEED

Vol. M88

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THIS TRUST DEED, made this 27th day of May, 1988, between

Don Hammar and Gladys Hammar, Husband and Wife
as Grantor, Aspen Title & Escrow
The Cottage Grove Bank
as Beneficiary.

WITNESSETH

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

Lot 26, Block 6, CRES-DEL ACRES, SECOND ADDITION, in the County of Klamath, State of Oregon.

18021 DEED

STYLE OF ORIGIN

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 with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of ****TWENTY-FIVE THOUSAND TWO HUNDRED THIRTY-EIGHT AND 64/100****

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 May 27, 1988.

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, shall become immediately due and payable.

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 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 lien searches made by lifting officers 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 \$_____ market value.

any and all such market value shall be paid to the beneficiary or beneficiaries, as the case may be, in the event of the death of the grantor, if the beneficiary or beneficiaries are acceptable to the grantor, and if the policies of insurance shall be payable to the beneficiary or beneficiaries, as the case may be, under the policies of insurance shall fail for any reason to provide for the beneficiary as so insured; and the grantor shall deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said business, and the beneficiary shall procure the same at grantor's expense. The amounts collected under any policy or other insurance policy may be applied by beneficiary upon any indebtedness of the beneficiary and in such order as beneficiary may determine, or at option of beneficiary, and in such order as beneficiary may determine, may be released to grantor. Such amount so collected or released may be used by grantor for any purpose, and grantor may release or cure or waive any default or notice of default hereunder or in any other policy of insurance, and grantor may release or waive any default or notice of default hereunder or in any other policy of insurance.

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 any taxes, assessments, insurances, etc.

ments, 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, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations secured by the note, shall be secured by the property herein described.

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 trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described as well as the income therefrom shall be

same extent that they are bound for the grantor, shall be bound to the described, and all such 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 default.

granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the property. The grantee 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 deed shall be paid by the grantor.

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 the court, take possession of the property of grantor and the indebtedness hereby secured hereunder, and may take possession of said property or any part thereof, in its own name and may collect the rents, issues and profits, including those past due and unpaid, and apply the same to the expenses of operation and collection, including reasonable attorney's fees upon the indebtedness 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 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.

10 Pursuant to such notice, the trustee shall consider or invalidate any act done
11 by or on behalf of the grantor in violation of the terms of the deed.
12 **§ 12. Upon default by grantor in payment of any indebtedness secured**
13 **hereby or in his performance of any agreement hereunder, time being of the**
14 **essence, with respect to such payment and/or performance, the beneficiary may**
15 **declare all sums due immediately due and payable. In such an**
16 **event the beneficiary at his option may proceed to foreclose this trust deed**
17 **in equity as a mortgage or direct the trustee to proceed to foreclose this trust deed**
18 **advertisement and sale, or may direct the trustee to pursue this trust deed by**
19 **at law or in equity, which the beneficiary may have. In the event the**
20 **beneficiary elects to foreclose this trust deed at law or in equity, the**
21 **beneficiary shall execute and cause to be recorded**
22 **this written notice of default and election to sell the said described real**
23 **property to satisfy the obligation secured hereon whereupon the trustee shall**
24 **thereafter, at the time and place of sale, give notice thereof as required by law and**
25 **proceed to foreclose this trust deed in the manner provided in ORS 86.235.**
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After the trustee has commenced foreclosure by advertisement and sale, at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any person privileged by ORS 86.753, may cure the default or defaults. If the default occurs, ORS 86.753, may cure the default secured by the trust deed, the default may be cured, when due, by tendering the amount of the debt due, together with the interest not then due had not default occurred, the time of the cure other than such portion as would be paid by the trustee in satisfaction of the other default that is capable of being cured may be cured by tendering the amount of the debt due under the other default; the trustee's fees and expenses incurred in curing the default; and expenses actually incurred in curing the cure shall pay to the beneficiary all costs together with trustee's and attorney's fees not in excess of the obligation of the trust deed.

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 parcels and shall sell the parcel or parcels at auction to the highest bidder for cash and shall sell the parcel or parcels at said deliver to the purchaser its deed in force and effect at the time of sale. Trustee of the property sold, but without any covenant or warranty by law conveying the recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness of the same.

the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

12. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of the sale in payment of (1) the expenses of sale, including the compensation of the trustee, (2) any reasonable charge by trustee's attorney, (3) to the obligation secured by the trust, (4) to all persons recorded as lienholders subsequent to the interest of the trustee, (5) to all persons named as their heirs or assigns in the instrument creating the trust, (6) to 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 shall be made by written instrument executed by beneficiary, in 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 accepts this trust when this deed, duly executed and
knowledge 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.

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 for those liens, easements and encumbrances of record as of this date.

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).

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 May 27, 1988 by Don Hammar

Gladys Hammar

Notary Public for Oregon

(SEAL) My commission expires: 10-29-88

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)

FOR STEVENS-NESS LAW (PUB. CO., PORTLAND, OREGON)

Don Hammar

Gladys Hammar

Grantor

The Cottage Grove Bank

Beneficiary

AFTER RECORDING RETURN TO

The Cottage Grove Bank

P.O. Box 128

Cottage Grove, Or. 97424

RECORD VEDITION: TO THE COUNTY OF _____

I certify that the within instrument

was received for record on the 6th day

of June 1988

at 11:51 o'clock A.M., and recorded

in book/reel/volume No. M88 on

page 8677 or as fee/file/instru-

ment/microfilm/reception No. 87925,

Record of Mortgages of said County.

Witness my hand and seal of

County affixed.

Evalyn Biehn County Clerk

NAME TITLE

By Mary Mora Deputy

Fee: \$13.00