

OR ED 89587

TRUST DEED

Vol 288 Page 11776

THIS TRUST DEED, made this 15th day of July, 1988, between DANIEL LEE OTTO AND JUDY ANN OTTO, husband and wife,

as Grantor, FIRST AMERICAN TITLE COMPANY, as Trustee, and

as Beneficiary, MICHAEL T. FROST

WITNESSETH:

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

The Southwesterly 60 feet of Lot 6, Block 29, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, 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 ONE THOUSAND FIVE 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 June 1, 1989

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.

To protect the security of this trust deed, grantor agrees: 1. To protect, preserve and maintain said property in good condition and repair; 2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon; 3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; 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 \$100,000 full insurable value...

granting 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) 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. 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 indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any 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 to 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, time being of the essence with respect to such payment and/or performance, 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 may direct the trustee to pursue any other right or advertisement and sale, or in equity, which the beneficiary may have. 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 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 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 portions 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 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.

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 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, including the compensation of the trustee and a reasonable charge by trustee's attorney, (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 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, and substitution shall be made by 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 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.

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 the first upon any reasonable courts, necessarily paid or incurred by beneficiary in the trial and the balance applied 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 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

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.**

**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 contract 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.**

*Daniel Lee Otto*  
 DANIEL LEE OTTO

*Judy Ann Otto*  
 JUDY ANN OTTO

**\* 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 beneficiary, MUST comply with the Truth-in-Lending Act and Regulation Z, the 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 Clatsop } ss.  
 This instrument was acknowledged before me on July 22, 1988, by Daniel Lee Otto and Judy Ann Otto  
*Doris Buckingham*  
 Notary Public for Oregon  
 My commission expires 12-19-88

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.

DANIEL LEE OTTO AND JUDY ANN OTTO  
 Grantor

MICHAEL T. FROST  
 P.O. Box 11602  
 Eugene, Oregon 97440  
 Beneficiary

AFTER RECORDING RETURN TO:  
 First American Title  
 1461 Oak Street  
 Eugene, Oregon 97440

STATE OF OREGON, County of Clatsop } ss.  
 I certify that the within instrument was received for record on the 22nd day of July, 1988, at 3:34 o'clock P.M., and recorded in book/reel/volume No. M88 on page 11776 or as fee/file/instrument/microfilm/reception No. 89587, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn County Clerk  
 NAME TITLE  
 By Dorlene Mulken Deputy

FOR OFFICIAL USE ONLY  
 REC'D O' BLOCK 58' HOL 28E110  
 SPACE RESERVED  
 FOR RECORDER'S USE  
 Fee \$13.00