

THIS TRUST DEED, made this 10th day of August, 1989, between KATHY/MC GRATH

as Grantor, **MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY**, as Trustee, and  
as Beneficiary, **ORVAL J. SMITH and MILDRED E. SMITH, husband and wife**

WITNESSETH:  
Grantor irrevocably grants, bargains, sells and conveys to trustee in trust, with power of sale, the property  
1940 Klamath County, Oregon, described as:

The South 17½ feet of the East 50 feet of Lot 2, and the North 40 feet of the East 50 feet of Lot 3, Block 1, FAIRVIEW ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Klamath County Tax #3809-029DB-03400.

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 TWENTY-ONE THOUSAND TWO HUNDRED FIFTY AND NO/100 Dollars, with interest thereon according to the terms of a promissory

sum of TWENTY-ONE THOUSAND TWO HUNDRED 21,200.00 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 per terms of Note 19, on which the final installment of said note is due and payable, and by this instrument is the date, stated above, on which the final installment of said note is due and payable, agreed to be paid by the undersigned.

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; and

and repair; nor shall he remove 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 corrupted, 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 the same.

4. To cause financial statements pursuant to the Uniform Commercial Code as amended by 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 by the beneficiary.

5. To cause title insurance on the buildings

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 risks as the beneficiary may from time to time require, in an amount of not less than \$\_\_\_\_ full insurable value, written in policies acceptable to the beneficiary, with loss payable to the beneficiary. All policies of insurance shall be delivered to the beneficiary as soon as insured; and if the grantor shall fail or any reason shall prevent him from so doing, he 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 buildings. The beneficiary may procure the same at grantor's expense. The amount of any loss or damage shall be paid to the beneficiary as beneficiary, whether collected under any fire or other insurance policy may be applicable to the loss or damage, and the beneficiary shall not be required to assign to the beneficiary upon any indebtedness secured hereby and the entire amount so collected, or may determine, or at option of beneficiary, to deliver to the beneficiary, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any such notice.

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, the grantor, as part of such taxes, assessments and other charges becomes hereby 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 by direct payment or by providing beneficiaries with funds with which to make such payment, beneficiaries, 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 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 with interest as aforesaid, the property covenants heretofore and for such payments, with interest as aforesaid, the property covenants heretofore and for such payments, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable, notwithstanding that the beneficiaries have not yet received notice of the beneficiary, under 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 deed.

6. To pay all taxes, assessments 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.

[illegible]

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 incurred by grantor in such proceedings, shall be paid to beneficiary and incurred by grantor in such proceedings, shall be paid to beneficiary and attorney's fees, applied by it first upon any reasonable costs and expenses paid or incurred by beneficiary in the trial and proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request and upon written request of beneficiary.

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 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 grantor's "conveyance" may be described as the "person or persons to whom the conveyance is made," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees shall not exceed \$5.00. If the grantor is indebted to the beneficiary in the amount of more than \$5.00, the services mentioned in this paragraph shall be rendered, beneficiary may at any time without notice, either as lender or agent or by a receiver to be appointed by the court, 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 principal and interest on the indebtedness hereby secured, 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 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.

[illegible][illegible]

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 and authorized by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcels either by auction to the highest bidder for cash, payable in full at the time of sale, or by deed in the form as required by law conveying said property to the purchaser, but without any covenant or warranty, express or implied, of title or otherwise. The trustee shall execute and deliver to the purchaser the recitals in the deed of any matters of fact shall be necessary to complete the truthfulness thereof. Any person, except the trustee, who is a party to the sale of the property shall be bound by the terms of the sale.

shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable fee by the trustee to his 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 trust 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 trust shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. The appointment upon any trustee herein named or appointed hereunder, executed by beneficiary, and substitution shall be made by a 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.

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, 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

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.

Kathy J. McGrath  
KATHY MC GRATH

\* 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 acknowledgment opposite.)

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on August 10, 1989, by KATHY MC GRATH

KATHY MC GRATH

Notary Public for Oregon My commission expires: 11/16/91

STATE OF OREGON, County of Klamath

This instrument was acknowledged before me on 19, by

of

Notary Public for Oregon My commission expires:

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: 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

20 1989 OF (FORM No. 881) OK 1-1

STEVENESS LAW PUB. CO., PORTLAND, ORE.

KATHY MC GRATH  
1534 Groscent Avenue  
Klamath Falls, OR 97601

Grantor

ORVAL J. SMITH and MILDRED E. SMITH  
3941 Barry  
Klamath Falls, OR 97603

Beneficiary

AFTER RECORDING RETURN TO  
MOUNTAIN TITLE COMPANY OF  
KLAMATH COUNTY

STATE OF OREGON,  
County of Klamath

I certify that the within instrument was received for record on the 11th day of Aug., 1989, at 9:55 o'clock A.M., and recorded in book/reel/volume No. M89 on page 14866 or as fee/file/instrument/microfilm/reception No. 3751, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

By Pauline Mueller Deputy

18021 DEED  
Fee \$13.00