

TRUST DEED

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TRUST DEED

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THIS TRUST DEED, made this

27

day of

October

198

..., between

KERRI JEAN CLARK

as Grantor, KEY TITLE COMPANY

as Grantor, KEY TITLE COMPANY
AUBREY J. CORNISH AND JULIA M. CORNISH, Husband and Wife

as Beneficiary,

WITNESSETH:

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

Lots 6 and 7, Block 1, NEW PINE ACRES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account Nos: 2310 016A 00800
2310 016A 00900

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 THIRTY NINE THOUSAND FIVE HUNDRED AND NO/100----- Dollars, with interest thereon according to the terms of a promissory note, principal and interest hereof, it

sum of THIRTY NINE THOUSAND FIVE HUNDRED AND NO/100 -----
 ---(\$39,500.00)----- 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, it
 November 15, 2004

note of even date herewith, payable to Beneficiary November 15, 2004 2004
not sooner paid, to be due and payable November 15, 2004 the date, stated above, on which the final installment of said note
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
2. To repair, replace or restore promptly, and, in good and workmanlike manner, any damage to said property.

[illegible]

by filing officers or securing a title insurance policy for the benefit of 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 \$100,000.00, insurable value....., written in all companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail on any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the first delivery of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary there may be amount so collected, 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 act done pursuant to such notice. The beneficiary shall be free from construction liens and to pay all

not cure or waive it; and such notice.

8. 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 the same taxes, assessments and other charges become past due or delinquent and promptly deliver receipts thereof to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, which by direct payment by providing beneficiary with funds with which to do so, by direct payment, beneficiary may, at its option, make payment thereof, make such payment, 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 form 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 nonpayment, with interest as aforesaid, the parties hereto hereby agree that they are bound for the payment of the obligation herein same extent as if they were bound for the payment of the debt and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed.

9. The cost and expenses of this trust including the cost of incurred

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 or in enforcing this obligation and trustee's and attorney's fees actually incurred, and defend any action or proceeding purporting to set aside or annul any part of this trust.

in connection therewith, and the attorney's fees actually incurred. To appear in and defend any action or proceeding purporting to affect the security rights or powers of the beneficiary or trustee may appear, including action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of the deed, to pay all costs and expenses, including evidence of the beneficiary's or trustee's attorney's fees; the amount of any such fees shall be determined by the trial court, and the amount of any such fees shall be determined by 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:

[illegible]

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 coordination 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 thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

be conclusively mentioned in this paragraph shall be not less than \$500.00. Beneficiary may at any time without notice, either in person, or by a receiver to be appointed by a court, cause the property to be appraised and the appraiser to be sworn to the adequacy of any security for the indebtedness secured, enter upon and take possession of any of the rents, issues and profits thereof, in its own name and sue or unpaid, and apply the same, issues and profits, including the same, to the payment of 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.

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 amounts secured hereby immediately due and payable. In such event the beneficiary at his election may proceed to foreclose this trust deed by either (a) as a mortgagee or direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary elects to be recorded his written notice of foreclosure and the trustee shall execute and cause to be recorded his written notice of sale, and his election to sell the said described real property to satisfy the obligation secured hereby. Upon 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 by advertisement and sale in the manner provided in ORS 86.735 to 86.739.

notice thereof as then required by ORS 86.735 to 86.795. In the manner provided by ORS 86.735 to 86.795, 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 authorized by ORS 86.735, may cure the default or defaults. If the cure consists of a failure to pay, when due, the sum or sums secured by the deed, the default may be cured by payment of the sum or sums due at the time of the cure other than such portion as would have been due had no default occurred. Any such performance required under the deed may be cured by tendering the sum or sums due. In addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary the costs of the cure. The person effecting the cure shall pay to the beneficiary the costs actually incurred in enforcing the obligation of the trust deed provided that the sum of the costs of the cure and the costs of enforcing the obligation together with trustee's and attorney's fees not exceeding the amounts provided by law, shall be held on the date and at the time and place may

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the same at public auction to the highest bidder for cash, in the form as required by law conveying said deliver to the purchaser, and without any covenant or warranty, and without any right of redemption, and without any other conditions, and without any conclusive proof of the truthfulness thereof. Any person may purchase at the sale.

15. When trusts of sale to payment of (1) the expenses of the trust, (2) the interest of the trustee in the trust including the compensation of the trustee and a reasonable attorney, (3) to the obligation secured by the trust having recorded liens against the interest of the trustee in the trust deed as their interest may appear in the order of their priority and (4) the interest of the grantor or his successor in interest entitled to such surplus, the trustee may from time to time appoint a successor or successors to succeed him or her in the performance of the duties herein provided.

16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein and without conveyance to the successor or under. Upon the death of the trustee, the trust shall be deemed to have been assigned to the latter shall be vested with all title, powers and duties of the trustee, and upon any trustee herein named or appointed, the instrument executed by beneficiary, and substitution shall be made in the mortgage records of the county or counties in which, when the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

which the property is situated, shall be the successor trustee. If the 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 may 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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