

2007-005278

Klamath County, Oregon



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03/23/2007 09:11:56 AM

Fee: \$51.00

After recording return to:

Richard B. Thierolf, Jr.
Jacobson, Thierolf & Dickey, P.C.
2 North Oakdale Avenue
Medford, OR 97501

TRUST DEED

THIS TRUST DEED is made this 9th day of March, 2007, between Klamath Pawn and Loan Company, an Oregon Corporation, as Grantor; Lawyers Title Insurance Corporation, a Virginia corporation, as Trustee; and Jacobson, Thierolf & Dickey, P.C., an Oregon Professional Corporation, 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:

Lot 6 and 7, in Block 94 of Klamath 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 anyway 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 Grantor's agreement to pay Beneficiary attorney fees and other costs associated with the rendering of legal services by Beneficiary to Grantor payable to Beneficiary on or before the earlier sale of the herein-described real property or June 1, 2007.

In the event the herein described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the

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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 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 filing 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 the full, insurable value for replacement cost, written in 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 for any reason to procure any such insurance and to 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 the Grantor's expense. The amount collected under any fire or other insurance policy may be applied by the Beneficiary upon any indebtedness secured hereby and in such order as the Beneficiary may determine, or at option of the Beneficiary the entire amount so collected, or any part thereof, may be released to the 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.
5. To keep such 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 to 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 to Grantor, either by direct

payment or by providing Beneficiary with funds with which to make such payment, the Beneficiary may, at its option, make payment thereof, whereby, together with the obligations described in paragraphs 4 and 7 of this trust deed, the amount of such payment 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 Grantor, shall be bound to the same extent that it is bound for the payment of the obligation herein 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 breach of this trust deed.

6. To appear in and defend any action or proceeding purporting to effect the security rights or powers of the Beneficiary or Trustee; including any suit, action or proceeding relating to title, whether or not the Trustee or Beneficiary also appears in such proceedings.

7. To pay all costs and disbursements, fees, and other expenses of this trust, including the cost of title search as well as the other costs and expenses of the Trustee or Beneficiary incurred in connection with enforcing the Grantor's obligations. This includes Trustee's and attorney's fees actually incurred; the attorney's fees mentioned in this paragraph 7 include fees in trial court and appellate court proceedings, alternative dispute resolution, such as arbitration, or in bankruptcy court, as the case may be.

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, the 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 the Grantor in such proceedings, shall be paid to the Beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by the Beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and the Grantor agrees, at its own expense, to take such actions and secure such instruments as shall be necessary in obtaining such compensation, promptly upon the Beneficiary's request.

9. At any time and from time to time upon written request of the 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:

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- (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 thereof; and/or
- (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 paragraph shall be not less than \$100.

10. Upon any default by the Grantor hereunder, the 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 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 the Grantor in payment of any indebtedness secured hereby or in its 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 an event the Beneficiary at its election may proceed to foreclose this trust deed in equity as a mortgage or direct the Trustee to foreclose this trust deed by advertisement and sale, or may 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 or the Trustee shall execute and cause to be recorded its written notice of default and its election to sell the said described real property to satisfy the obligation secured hereby, whereupon the Trustee shall fix the time and place of sale, give the notice thereof as then required by law and 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 last set for the Trustee to conduct 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, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion 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 auction to the highest bidder for cash, payable at the time of sale. The 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 the Trustee sells pursuant to the powers provided herein, the Trustee shall apply the proceeds of sale to payment of:

(a) The expenses of sale, including the compensation of the Trustee, and the Trustee's and Beneficiary's attorney fees;

(b) The obligation secured by the trust deed;

(c) All persons having recorded liens subsequent to the interest of the Trustee in the trust deed as its interests may appear in the order of its priority; and

(d) The surplus, if any, to the Grantor or to its successor in interest entitled to such surplus.

16. The 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 in 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 the 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. The Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. The 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 a Trustee.

The Grantor covenants and agrees to and with the Beneficiary and those claiming under the Beneficiary, that it is lawfully seized in fee simple of said property and has a valid title thereto, unencumbered, except to the extent it has disclosed encumbrances to the Beneficiary and the Beneficiary has agreed to suffer such encumbrances, and that it will warrant and forever defend the same against all persons whomsoever.

The Grantor warrants that the indebtedness secured by this trust deed is not primarily for personal, family, or household purposes, but instead is for business and commercial purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, its heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term "Beneficiary" shall mean the holder and owner of the indebtedness 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.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

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IN WITNESS WHEREOF, said Grantor has hereunto set its hand the day and year first above written, by and through its Director and President, Harriet M. Wagner.

Klamath Pawn and Loan Company,
an Oregon Corporation

Harriet M. Wagner
Harriet M. Wagner, President and Director

STATE OF OREGON)
) ss
County of Jackson)

This instrument was acknowledged before me on March 9th, 2007 by Harriet M. Wagner as President and Director of Klamath Pawn and Loan Company.



Elizabeth Lewis
Notary Public for Oregon
My Commission Expires: Sept 21, 2008