

TRUST DEED

2019-007000

Klamath County, Oregon

06/21/2019 10:12:01 AM

Fee: \$102.00

Gregory S. Kelley and Bedar M. Kelley, Trustees
The Kelley Family Trust UAD March 3rd, 2006

Grantor's Name

Thomas J. Crawford, Trustee
Skyler Irrevocable Trust UAD January 13th, 1999

Beneficiary's Name

After Recording. Return To:

Thomas J. Crawford, Trustee
Skyler Irrevocable Trust
17518 SW Vanguard Lane, Beaverton, OR. 97007

THIS TRUST DEED, made this 20 day of June, 2019, between, Gregory S. Kelley and Bedar M. Kelley, as Trustees of the Kelley Family Trust UAD March 3rd, 2006, as Grantor, AmeriTitle, as Trustee, and Thomas J. Crawford Trustee, Skyler Irrevocable Trust UAD January 13th, 1999, 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:

That real property more particularly described as:

**LOT 16, together with that portion of vacated alley that inured thereto by operation of law, Lakeshore Gardens according to the official plat thereof on file in the office of the County Clerk of Klamath County.
(Tax Lot 2000)**

(hereinafter referred to as the "Property").

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 or hereafter attached to or used in connection with the Property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of FIFTY SEVEN THOUSAND FIVE HUNDRED AND NO/100 Dollars (\$57,500.00), payable 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 5th day of July, 2039.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the Grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the Property, or all (or any part) of Grantor's interest in it without first obtaining 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. The execution by Grantor of an earnest money agreement does not constitute a sale, conveyance or assignment.

To protect the security of this Trust Deed, Grantor, agrees:

1. **Preserve Property.** To protect, preserve and maintain the Property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of the Property.

2. **Restoration.** To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. **Compliance.** To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the 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 offices, as well as the cost of all lien searches made by filing offices or searching agencies as may be deemed desirable by the Beneficiary.

4. **Liens or Encumbrances.** To keep the Property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the 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, 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 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 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 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. As used herein, the term "real property tax" shall include any form of assessment, license fee, rent tax, levy, penalty, or tax imposed by any authority having the direct or indirect power to tax, including any city, county, state or federal government, or any school, agricultural, lighting, drainage or other improvement district thereof, as against any legal or equitable interest in the Property.

a. **Contest of Tax Due.** If Grantor objects in good faith to the validity or amount of any tax, assessment or lien, Grantor may contest the validity or amount of the tax or assessment or lien provided that Beneficiary's security interest in the Property is not jeopardized. Grantor shall otherwise keep the Property free from all liens which may be lawfully imposed upon the Property.

5. **Payment of Costs and Attorney Fees.** 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.

6. **Obligation to Defend.** To appear in and defend any action or proceeding purporting to affect the security rights or powers of Beneficiary or trustee; and in any suit, action or proceeding in which the Beneficiary or trustee may appear, including any suit for the foreclosure of this deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the Beneficiary's or trustee's attorney fees; the amount of attorney fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, Grantor further agrees to pay such sum at the appellate court shall adjudge reasonable as the Beneficiary's or trustee's attorney fees on such appeal .

NOTE: The Trust Deed Act provides that the trustee hereunder must be either 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.

7. **Permitted Use.** In connection with the use of the Property, Grantor shall:

a. **Comply With Applicable Laws and Regulations.** Conform to all applicable laws and regulations of any public authority affecting the Property and the use of said Property and correct at Grantor's own expense any failure of compliance created through Grantor's fault

or by reason of Grantor's use of the Property and Grantor shall be required to make any structural changes to effect such compliance.

b. **Hazardous Waste or Substance.** Grantor shall not cause or permit any Hazardous Substance to be spilled, leaked, disposed of, or otherwise released on or under the Property. Grantor may use or otherwise handle on the Property only those Hazardous Substances typically used or sold in the prudent and safe operation of the Grantor's business. Grantor may store such Hazardous Substances on the Property only in quantities necessary to satisfy Grantor's reasonably anticipated needs. Grantor shall comply with all Environmental Laws and exercise the highest degree of care in the use, handling, and storage of Hazardous Substances and shall take all practicable measures to minimize the quantity and toxicity of Hazardous Substances used, handled, or stored on the Property. The term Environmental Law shall mean any federal, state, or local statute, regulation, or ordinance or any judicial or other governmental order pertaining to the protection of health, safety or the environment. The term Hazardous Substance shall mean any hazardous, toxic, infectious or radioactive substance, waste, and material as defined or listed by any Environmental Law and shall include, without limitation, petroleum oil and its fractions.

It is mutually agreed that :

8. **Eminent Domain.** In the event that any portion or all of the 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 it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by Beneficiary in such proceedings, 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. **Beneficiary's Request.** 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 the Property; (b) join in granting any easement or creating any restriction thereon; © 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 thereof," 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 \$5.00.

10. **Non Waiver of Default.** The entering upon and taking possession of the 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 or notice of default hereunder or invalidate any act done pursuant to such notice.

11. **Options Upon Default.** Upon default by Grantor in payment of any indebtedness secured hereby or in Grantor's performance of any agreement hereunder, **TIME BEING OF THE ESSENCE WITH RESPECT TO SUCH PAYMENT AND/OR PERFORMANCE**, the Beneficiary may declare the sums secured hereby immediately due and payable. In such an event the Beneficiary may elect to 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 a written notice of default and election to sell the Property to satisfy the obligation secured hereby whereupon 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 in the manner provided in ORS 86.735 to 86.795.

12. **Foreclosure By Private Sale.** After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to five (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, 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 not 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.

13. **Notice of Sale.** Otherwise, the sale shall be held on the date and the time and place designated in the notice of sale or the time to which the sale may be postponed as provided by law. The trustee may sell the 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. 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.

14. **Application of Proceeds.** 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 Trust Deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the Grantor or to any successor in interest entitled to such surplus.

15. **Appointment of Successor Trustee.** 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, 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.

16. **Acceptance of Trust.** 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.

17. **Notices.** Any notice required or permitted under this Trust Deed shall be given when actually delivered or forty-eight (48) hours after deposited in United States mail as certified mail addressed to the address given in this Trust Deed or to such other address as may be specified from time to time by either of the parties in writing.

18. **Cross Over Default Provision.** That a default by Grantor of any term., condition or provision of this Trust Deed shall also constitute a default of the Promissory Note of even date which it secures and shall provided the Payee thereunder with all of the remedies specified in said Promissory Note, including, but not limited to, the right to accelerate any and all sums owing thereunder.

19. **Warranty.** The Grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the Grantor is lawfully seized in fee simple of the Property and has a valid, unencumbered title thereto, except as may be set forth in an addendum or exhibit attached hereto, and that the Grantor will warrant and forever defend the same against all persons whomsoever.

WARNING: Unless Grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement between them, beneficiary may purchase insurance at Grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect Grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against Grantor. Grantor may later cancel the coverage by providing evidence that Grantor has obtained Property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to Grantor's contract or

loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date Grantor's prior coverage lapsed or the date Grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance Grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law

The Grantor warrants that the proceeds of the loan represented by the above described note and this Trust Deed are:

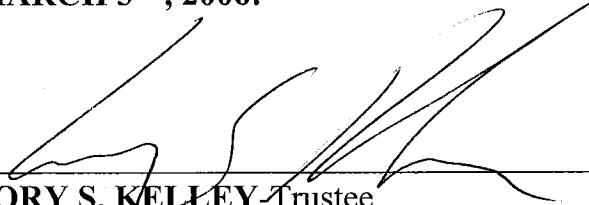
(A) for an organization, or (even if Grantor is a natural person) are for business or commercial purposes.

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 Trust Deed, it is understood that the Grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to corporations and individuals.

IN WITNESS WHEREOF, the Grantor has executed this instrument this ____ day of June, 2019.

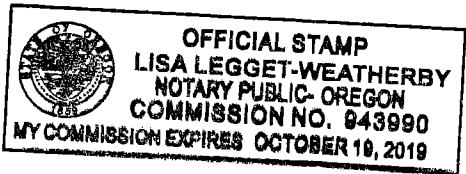
THE KELLEY FAMILY TRUST
UAD MARCH 3RD, 2006:

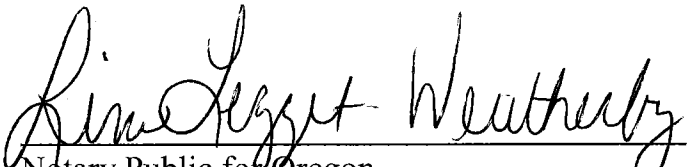
By: 
GREGORY S. KELLEY-Trustee

By: 
BEDAR M. KELLEY-Trustee

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on this 20 day of June, 2019, by Gregory S. Kelley and Bedar M. Kelley as Trustees of the Kelley Family Trust UAD March 3rd, 2006.




Notary Public for Oregon