

2021-008662

Klamath County, Oregon



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06/01/2021 02:03:50 PM

Fee: \$102.00

AFTER RECORDING RETURN TO:

Nathan J. Ratliff
620 Main Street
Klamath Falls, OR 97601

GRANTOR'S NAME AND ADDRESS:

Kyle Christofer Bennett and
Kylie Leone Bennett
2691 Alma Alley
Klamath Falls, OR 97601

BENEFICIARIES' NAME AND ADDRESS:

Bruce Allen Mathis
P. O. Box 1564
Klamath Falls, OR 97601

SEND TAX STATEMENTS TO:

Kyle Christofer Bennett and
Kylie Leone Bennett
2691 Alma Alley
Klamath Falls, OR 97601

TRUST DEED

THIS TRUST DEED, made on the 28 day of May, 2021, between **KYLE CHRISTOFER BENNETT and KYLIE LEONE BENNETT**, as Grantor, **AMERITITLE, INC.**, as Trustee, and **BRUCE ALLEN MATHIS**, 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 follows, to-wit:

A tract of land situated in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, Township 38 South, Range 9 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point from which the corner common to Sections 19, 20, 29 and 30 of said Township and Range bears South 830 feet and East 1330 feet; thence North, parallel to the East line of said SE $\frac{1}{4}$ SE $\frac{1}{4}$, 251.00 feet; thence East 363.00 feet; thence South, parallel to said East line 251.00 feet; thence West 363.00 feet to the point of beginning.

Property ID No.: 862766

Map Tax Lot No.: 3809-019DD-00701

Together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now 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 the payment of the sum of EIGHTY-SIX THOUSAND EIGHT HUNDRED FIFTY-FIVE AND 28/100THS DOLLARS (\$86,855.28), 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, if not sooner paid, to be due and payable on **NOVEMBER 15, 2049**.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note(s) become 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 option¹, all obligations secured by this instrument, irrespective of the maturity dates express 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. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; and not to commit or permit any waste of the property.

2. 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 therefore.

3. 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

policy may be applied by the beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire 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.

5. 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 or other charges become past due or delinquent and promptly deliver such 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 notes 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. For such payments, with interest as aforesaid, the property herein 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. 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 shall constitute a breach of this trust deed.

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 and attorney fees actually incurred.

7. 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 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 as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney fees on such appeal.

IT IS MUTUALLY AGREED THAT:

8. 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 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 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. 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 notes 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; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; 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 fees for any of the services mentioned in this paragraph shall be not less than \$5.

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 the 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 fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. 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

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.

13. 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 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 and attorney 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 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.

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 the 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.

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, 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.

The grantor covenants to and agrees with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto, except as may be set forth in any 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 trust deed are (choose one):

- _____ (a) primarily for grantor's personal, family, or household purposes (see Important Notice below).
_____ (b) ~~for an organization, or (even if grantor is a natural person) are for business or commercial~~

WRAP-AROUND PROVISIONS

SECTION 18. PURPOSE

18.1 This is a wrap-around trust deed, which is subject and subordinate to that certain Deed of Trust dated November 15, 2019, between **Bruce Allen Mathis** (hereinafter referred to as "Borrower/Grantee"), **AmeriTitle, an Oregon Corporation** (hereinafter referred to as "Trustee"), and **Blue Sky Investment LLC, a Delaware limited liability company** (hereinafter referred to as "Lender"), which mortgage was recorded in the office of the County Clerk of Klamath County on the 15th day of November, 2019, as Instrument No. 2019-013362 of the Official Records of Klamath County, Oregon, which trust deed constitutes a first deed of trust upon the premises described hereinabove, now in the reduced principal amount of \$86,855.28, with interest at the rate of five percent (5%) from May 4, 2021, and which encumbrance, by its terms, matures on November 15, 2049 (such deed of trust encumbrance hereinafter referred to as the "First Deed of Trust").

By an Assignment of Trust Deed by Beneficiary or Beneficiary's Successor in Interest, recorded January 14, 2020, as Instrument No. 2020-000500 of the Official Records of Klamath County, **Blue Sky Investment LLC, a Delaware limited liability company**, assigned its beneficial interest in and to said First Deed of Trust to **Affordable Homes of Oregon, a Oregon limited liability company, aka Affordable Homes of Oregon, Inc., an Oregon Corporation** (subsequently referred to as "Lender"). As evidence by its signature below, Lender hereby consents to this wrap-around second Trust Deed, and further warrants that Lender shall not exercise the "Due-on-Sale" clause of the First Trust Deed recorded as Instrument No. 2019-013362.

18.2 This wrap-around trust deed secures payment of the principal indebtedness of Borrower/Grantee to Lender in the sum of \$86,855.28, together with interest payable on the unpaid balances thereof. Pursuant to the provisions of 20.1 hereof, Borrower/Grantee agrees to pay to the holder of the First Deed of Trust the \$86,855.28 unpaid principal balance of the First Deed of Trust.

SECTION 19. COMPLIANCE WITH FIRST DEED OF TRUST

19.1 Kyle Christopher Bennett and Kylie Leone Bennett (hereinafter referred to as "Bennett") agree to comply with all of the terms and conditions of the First Deed of Trust other than with respect to the payment of principal and interest due under the First Deed of Trust.

19.2 If Bennett fails to comply with any of the terms, provisions and conditions of the First Deed of Trust and such failure results in a default thereunder (other than with respect to payments of principal and interest due thereunder after the date hereof), such failure on the part of Bennett shall constitute a default under this wrap-around trust deed and shall entitle Mathis, at his option, to exercise any and all rights and remedies given Mathis in the event of a default hereunder.

SECTION 20. PAYMENT OF THE FIRST AND SECOND DEEDS OF TRUST

20.1 Borrower/Grantee hereby agrees to pay to the holder of the First Deed of Trust the \$86,855.28 unpaid principal balance of the First Deed of Trust, together with all interest accruing thereunder from May 4, 2021, as and when required by the terms of the First Deed of Trust. Such payments are presently \$477.77 per month and are due on or about the 15th day of each month.

20.2 Notwithstanding the foregoing, Borrower/Grantee's obligation to make the respective payments of principal and interest as and when due under the First Deed of Trust is conditioned upon the following:

- (a) Grantor shall not be in default under this wrap-around trust deed.
- (b) Grantor shall be in compliance with all of the terms and provisions of the First Deed of Trust other than with respect to the payments of principal and interest due thereon after May 4, 2021.

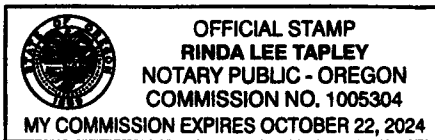
20.3 Borrower/Grantee's agreement to make the payments set forth in section 20.1 is intended solely for the benefit of Grantor and not for the benefit of the holder of the First Deed of Trust or any other party.

IN WITNESS WHEREOF, the parties have executed this instrument the day and year first above written.

GRANTOR:

Kyle Christofer Bennett
Kyle Christofer Bennett

Kylie Leone Bennett
Kylie Leone Bennett



BORROWER/GRANTEE:

Bruce Allen Mathis
Bruce Allen Mathis

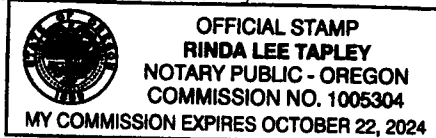
LENDER:

AFFORDABLE HOMES OF OREGON,
an Oregon Limited Liability Company, aka
AFFORDABLE HOMES OF OREGON, INC.,
an Oregon Corporation.

By: Lester B. Jones
PRES. (Title)

STATE OF OREGON; County of Klamath) ss.

THIS INSTRUMENT was acknowledged before me on the 1st day of June, 2021, by Kyle Christofer Bennett and Kylie Leone Bennett.



Rinda Lee Tapley
NOTARY PUBLIC FOR OREGON
My Commission expires:

STATE OF OREGON, County of Klamath) ss.

THIS INSTRUMENT was acknowledged before me on the 28th day of May, 2021, by Bruce Allen Mathis.



Haylee M Gibbs
NOTARY PUBLIC FOR OREGON
My Commission expires:

STATE OF OREGON, County of Crook) ss.

THIS INSTRUMENT was acknowledged before me on the 21 day of May, 2021, by Lester B Jones as President of Affordable Homes of Oregon, an Oregon Limited Liability Company, aka Affordable Homes of Oregon, Inc., an Oregon Corporation.



Sharon Reason
NOTARY PUBLIC FOR OREGON
My Commission expires: 6-12-2022

REQUEST FOR FULL RECONVEYANCE
(To be used only when obligations have been paid.)

TO: AMERITITLE, INC.

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust