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DEED OF TRUST

GRANTORS: CHARLES E. DATES and JANET A. DATES, husband and wife,

Hereinafter known as Trustee, in Trust, with power of sale, for the benefit and security of THE FIRST NATIONAL BANK OF OREGON, a national banking association, Beneficiary, the following described real property in the County of Klamath State of Oregon Lot 11, Block 4, FIRST ADDITION TO SUNNY VILLAGE, Klamath County, Oregon,

with all interests, rights and privileges now or hereafter belonging to or used in connection with the above described premises and with all improvements, fixtures, furnishings, work appliances and equipment of any nature now or hereafter attached to, adapted to, or used in connection with the aforesaid premises, together with all related claims that Grantors may hereafter acquire, all of the foregoing to constitute the land, property and fixtures, that transpire to secure the Grantors' obligations and liabilities hereunder, all of which shall be deemed covenants, and the payment of $ 24,500.00 and such additional sums as are evidenced by a certain promissory note of even date herewith signed by Grantors and payable to Beneficiary in 300 equal monthly payments commencing with June 15, 1970 and the due date of the last such monthly payment shall be the date of maturity of the principal debt.

Grantors warrant for the benefit of the Beneficiary that they are seized in fee simple of the land property and entitled to possession thereof; that they have the right to convey the same; that it is free from encumbrances except as shown herein; that they will keep the same free from all encumbrances; that they will warrant and defend the same against all claims and demands whatsoever; that the [illegible] the date of Grantors' hereunder covenant that they will pay said note according to the terms thereof; that they will pay all real property taxes and assessments levied or assessed against the property at least ten (10) days before the due date thereof, or of any installment thereof; that they will not use the property for any unlawful purpose; that they will complete all improvements in course of construction or to be constructed thereon within six (6) months from the date hereof; that they will keep all improvements in good repair and continuously insured against fire and other hazards in amounts and with companies satisfactory to Beneficiary, all policies of insurance, with premiums paid and with mortgage clause in favor of Beneficiary attached, to be delivered to Beneficiary hereunder, at its option to apply any insurance proceeds to the indebtedness and covenants hereby insured or to rebuilding or repairing the premises; that they will pay all premiums upon any life insurance policy which may be held by Beneficiary as additional security for the indebtedness hereby secured. Should Grantors fail to keep any of the Covenants hereof, then Beneficiary at its option may cure the same and all its expenditures therefor shall draw interest until repaid at the rate of ten per cent (10%) per annum or the maximum rate of interest permitted by law, whichever is the lesser, and shall be repayable by Grantors on demand and Beneficiary at its option may use to collect all or any part of the aforementioned expenditures without affecting its rights of foreclosure or sale hereunder at any future time, in any such action Grantors agree to pay all costs and a reasonable attorney's fee, including fees on appeal. Beneficiary shall be the sole judge of the validity of any encumbrances asserted against the property. In the event of sale of the property or any part thereof, Beneficiary may without notice to Grantors deal with any successor in interest with reference to this trust deed and the said note, either by forbearance, extension of alteration, without in any way affecting Grantors' liability hereunder or on the said note. In the event of the sale of the property or any part thereof, or interest therein, or alteration, repair, remodelling, addition or removal of any improvements without the written consent of Beneficiary, the balance of all unpaid sums hereby secured shall at Beneficiary's election become immediately due, without notice. Beneficiary may impose a reasonable service charge for receiving its consent to future sale or change of ownership.

Grantors hereby expressly assign to Beneficiary all rents and revenues from the property and hereby assign any future rents or hereafter in effect upon the property or any part thereof, and in the event of default hereof and while said default continues, hereby authorize and empower Beneficiary or Trustee, either prior to, upon, or subsequent to commencement of foreclosure proceedings and without affecting or waiving the right to foreclose, without notice or recourse, and acting through Beneficiary or Trustee or agents, attorneys, employees or a receiver appointed by a court (in which appointment Grantors hereunto consent), and without regard to the adequacy of the security, the solvency of the Grantors or the presence or danger of waste, loss or destruction, to take or resume possession of the property and control and manage the same as it may deem prudent, to sue for and/or collect said rents all rents and income therefrom, including those past due and unpaid, and from receipts therefrom, out of amounts so received to pay all operating expenses, to retain as pay reasonable charges for managing the property, to pay Beneficiary even due upon the date so called hereby as may be necessary to cure any continued default, Beneficiary to determine which items are to be paid first, and to pay any surplus so collected to the person or persons Beneficiary may deem to be lawfully entitled thereto.

Time is material and of the essence hereof, and if default be made in the payment of the said hereby secured or any portion thereof, or in the performance of any other covenant hereof, or if a proceeding under any bankruptcy, insolvency or bankruptcy law be commenced by or against any of the Grantors, or if any of the Grantors make an assignment for the benefit of creditors, then in such case all unpaid sums hereby secured, including any prepayment charges payable under the terms of the promissory note secured hereby, shall at Beneficiary's election become immediately due and payable without notice, and in addition Beneficiary may apply any part sum, or any part thereof, held by it as trust in payment or endorsement to reduce the indebtedness secured. In the event of such default, the trust deed may, at Beneficiary's election be foreclosed and the property sold in any manner provided or allowed by law, including by advertisement and sale under power of sale as a mortgage on real property. Proceeds of a sale

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[illegible] shall be applied to the expense of title including Trustee's and attorney's fees and expenses as provided herein. Surplus, if any, shall be paid to persons legally entitled to it.

Any award of damages in connection with any condemnation for public use of or injury to the property or any part thereof and the proceeds of any sale or agreement in lieu of such condemnation are hereby assigned to Beneficiary, which may apply the same as provided above for the insurance proceeds.

Grantor agrees to pay expenses, including reasonable attorney's fees incurred by Beneficiary or Trustee in collecting delinquent payments or taking default. Further, to pay and to foreclose this trust deed or any note or proceedings to which Beneficiary defends or prosecutes at any hearings or trials which Beneficiary is a party by reason of this trust deed or the indebtedness secured hereby, including costs to quiet title or for condemnation or partition of the whole or part of the property, or any interest therein, or to the extent of any recovery taken by foreclosure or other sale or sale pursuant to the power granted hereunder. Grantor agrees to pay to Beneficiary all costs and expenses and a reasonable sum as attorney's fees, including fees on appeal, and further agrees to pay reasonable sum of title search incurred in the foregoing.

At any time, without liability therefor and without notice, upon written direction of Beneficiary and without affecting the liability of any person for payment of the indebtedness secured hereby or performance of the covenants hereunder, Trustee shall reconvey all or any part of the property covered by the trust deed or the lien of this deed, from time to time, by instrument to be executed by Trustee in granting an easement thereon or join in any extension agreement.

6.

Beneficiary from time to time may appoint a successor or successors to any Trustee named herein, or to any successor. This by, such appointee to have the title, powers and duties conferred herein.

Neither the exercise, the failure to exercise or the waiver of any right or option provided Beneficiary hereunder shall constitute a waiver of any preceding or future default, any cause of default, any other right or remedy of Beneficiary, or the provisions hereof shall be abrogated or impaired by any act done pursuant to such default or cause of default. All rights and remedies of Beneficiary hereunder shall be cumulative.

Each of the covenants hereof shall be binding upon all successors in interest of each of the Grantors, and shall inure to the benefit of all successors in interest of the Beneficiary. The invalidity of any part hereof shall not affect the validity of the remainder and this trust deed shall be construed to effect as far as possible to valid intent, meaning or use be necessary in valid clauses, phrases or words.

Dated this 10th day of December 19 64

ADDRESS OF GRANTORS

P. O. Box 1584

Street

Klamath Falls, Oregon 97601

City State

Charles E. Oates

Carol A. Oates

STATE OF OREGON

County of KLAMATH

On this 10th day of December 1964 before me, a Notary Public in and for said county and state, personally appeared the within named CHARLES E. OATES and CAROL A. OATES, husband and wife,

who are known to me to be the identical individuals described in and who executed the within instrument and acknowledged to me that they executed the same freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year last above written.

(SEAL) Notary Public for OREGON

My commission expires

REQUEST FOR FULL RECONVEYANCE

TO: PACIFIC NORTHWEST TITLE INSURANCE COMPANY, Trustee.

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. 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 trust deed and the note secured thereby are delivered to you herewith) and to reconvey, without warranty, to the Grantors designated by the terms of said trust deed the estate now held by you under the same.

DATED, 19

Equitable Savings & Loan Association, Beneficiary

Vice President

Assistant Secretary

DEED OF TRUST

STATE OF

COUNTY OF

FILED

RECORDED

RECEIVED

AT O'CLOCK

M.

RECORDER OF DEEDS

BY

DEPUTY

FEE $