

TRUST DEED

THIS TRUST DEED, made this 16th day of April, 1971, between  
KENNETH W. LANGER AND LINDA M. LANGER, husband and wife -----, as GRANTOR,  
TRANSAMERICA TITLE INSURANCE COMPANY -----, as TRUSTEE,  
and FIRST NATIONAL BANK OF OREGON -----, 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 11 in Block 11 of Eldorado Addition in the City of Klamath Falls, Klamath County,  
Oregon, and the West 5.0 feet of Lot 10 in Block 11 of Eldorado Addition in the City  
of Klamath Falls, Klamath County, Oregon.

which said described real property does not exceed three acres, 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, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary  
to collect and apply such rents, issues, and profits; and all fixtures now or hereafter attached to or used in connection with said  
real estate, and in addition thereto the following described household appliances, which are, and shall be deemed to be, fixtures and  
a part of the realty, and are a portion of the security for the indebtedness herein mentioned:



FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of  
TEN THOUSAND FIVE HUNDRED AND NO/100-----

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thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor,  
KENNETH W. LANGER AND LINDA M. LANGER, husband and wife----- Dollars (\$ 10,500.00 ), with interest  
the final payment of principal and interest thereof, if not sooner paid, to be due and payable on the first day of April  
1996.

1. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less  
than the amount of one installment, or one hundred dollars (\$100), whichever is less.

2. Grantor agrees to pay to Beneficiary as trustee (under the terms of this trust as hereinafter stated) in addition to the  
monthly payments of principal and interest payable under the terms of said note, on the first day of each month until said note  
is fully paid, the following sums:

(a) An installment of the ground rents, if any, and of the taxes and special assessments levied or to be levied against the  
premises covered by this Trust Deed; and an installment of the premium or premiums that will become due and pay-  
able to renew the insurance on the premises covered hereby against loss by fire or such other hazard as may be required  
by Beneficiary in amounts and in a company or companies satisfactory to the Beneficiary; Grantor agreeing to deliver  
promptly to Beneficiary all bills and notices therefor. Such installments shall be equal respectively to one-twelfth  
(1/12) of the annual ground rent, if any, plus the estimated premium or premiums for such insurance, and taxes and  
assessments next due (as estimated by Beneficiary, and of which Grantor is notified) less all installments already paid  
therefor, divided by the number of months that are to elapse before one month prior to the date when such premium  
or premiums and taxes and assessments will become delinquent. Beneficiary shall hold such monthly payments in trust  
to pay such ground rents, premium or premiums, and taxes and special assessments before the same become delinquent.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby,  
shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (I) ground rents, taxes, special assessments, fire and other hazard insurance premiums;
- (II) interest on the note secured hereby;
- (III) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless paid prior to the due date of the  
next such payment, constitute an event of default under this Trust Deed.

3. If the total of the payments made under (a) of paragraph 2 preceding shall exceed the amount of payments actually made  
by Beneficiary as trustee for ground rents, taxes or assessments, or insurance premiums, as the case may be, such excess may be  
released, applied on any indebtedness secured hereby, or be credited by Beneficiary as trustee on subsequent payments to be made  
by Grantor for such items. If, however, such monthly payments shall not be sufficient to pay such items when the same shall  
become due and payable, then Grantor shall pay to Beneficiary as trustee any amount necessary to make up the deficiency within  
thirty (30) days after written notice from the Beneficiary stating the amount of the deficiency, which notice may be given by  
mail. If at any time Grantor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire  
indebtedness secured hereby, Beneficiary as trustee shall, in computing the amount of the indebtedness, credit to the account of  
Grantor any credit balance remaining under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any  
of the provisions of this Trust Deed and thereafter a sale of the premises in accordance with the provisions hereof, or if the  
Beneficiary acquires the property otherwise after default, Beneficiary as trustee shall apply, at the time of the commencement  
of such proceedings, or at the time the property is otherwise acquired, the amount then remaining to credit of Grantor under (a)  
of paragraph 2 preceding, as a credit on the interest accrued and unpaid and the balance to the principal then remaining unpaid  
on said note.

4. At Beneficiary's option, Grantor will pay a "late charge" not exceeding four per centum (4%) of any installment when  
paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments,  
but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless  
such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured hereby.

To Protect the Security of This Trust Deed, Grantor Agrees:

5. 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.

6. To complete or restore promptly and in good and work-  
manlike manner any building or improvement which may be  
constructed, damaged, or destroyed thereon, and pay when due  
all costs incurred therefor, and, if the loan secured hereby or  
any part thereof is being obtained for the purpose of financing  
construction of improvements on said property, Grantor  
further agrees:

(a) to commence construction promptly and to pursue  
same with reasonable diligence to completion in accordance  
with plans and specifications satisfactory to Beneficiary, and

(b) to allow Beneficiary to inspect said property at all  
times during construction. The Trustee, upon presentation  
to it of an affidavit signed by Beneficiary, setting forth facts  
showing a default by Grantor under this numbered paragraph,  
is authorized to accept as true and conclusive all facts and  
statements therein, and to act thereon hereunder.

7. To comply with all laws, ordinances, regulations, cove-  
nants, conditions and restrictions affecting said property.

8. To provide and maintain hazard insurance, of such type  
or types and amounts as Beneficiary may from time to time  
require, on the improvements now or hereafter on said prem-  
ises, and except when payment for all such premiums has heret-  
ofore been made under (a) of paragraph 2 hereof, to pay  
promptly when due any premiums therefor; and to deliver all  
premiums therefor; and to deliver all policies with loss pay-  
able to Beneficiary, which delivery shall constitute an assign-  
ment to Beneficiary of all return premiums. The amount  
collected under any fire or other insurance policy may be ap-  
plied by 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.

9. To keep said premises free from mechanics' 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 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 para-  
graphs 10 and 11 of this Trust Deed, shall be added to and be-  
come a part of the debt secured by this Trust Deed, without  
waiver of any rights arising from breach of any of the cove-  
nants hereof and for such payments, with interest as afore-  
said, the property hereinbefore described, as well as the Gran-

tor, 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 Bene-  
ficiary, render all sums secured by this Trust Deed immedi-  
ately due and payable and constitute a breach of this Trust  
Deed.

10. To pay all costs, fees and expenses of this trust, includ-  
ing the cost of title search as well as the other costs and ex-  
penses of the Trustee incurred in connection with or in  
enforcing this obligation, and trustee and attorney's fees  
actually incurred.

11. To appear in and defend any action or proceeding pur-  
porting to affect the security hereof or the rights or powers  
of Beneficiary, or Trustee; and to pay all costs and expenses,  
including cost of evidence of title and attorney's fees in a  
reasonable sum to be fixed by the Court, in any such action or  
proceeding in which Beneficiary or Trustee may appear, and  
in any suit brought by Beneficiary to foreclose this Trust Deed.

12. To pay at least ten (10) days before delinquency all  
assessments upon water company stock, and all rents, assess-  
ments and charges for water, appurtenant to or used in con-  
nection with said property; to pay, when due, all encum-  
brances, charges and liens with interest, on said property or  
any part thereof, which at any time appear to be prior or  
superior hereto; to pay all reasonable costs, fees, and expenses  
of this Trust.

13. Should Grantor fail to make any payment or to do any  
act as herein provided, then Beneficiary or Trustee, but with-  
out obligation so to do and without notice to or demand upon  
Grantor and without releasing Grantor from any obligation  
hereof, may: Make or do the same in such manner and to such  
extent as either may deem necessary to protect the security  
hereof, Beneficiary or Trustee being authorized to enter upon  
the property for such purposes; commence, appear in and de-  
fend any action or proceeding purporting to affect the security  
hereof or the rights or powers of Beneficiary or Trustee; pay,  
purchase, contest, or compromise any encumbrance, charge or  
lien which reasonably appears to be prior or superior hereto;  
and in exercising any such powers, incur any liability, expend  
whatever amounts are reasonably necessary therefor, includ-  
ing cost of evidence of title, and reasonable counsel fees.

14. To pay within thirty (30) days after demand all sums  
properly expended hereunder by Beneficiary or Trustee, with  
interest from date of expenditure at the rate provided for in  
the principal indebtedness, and the repayment thereof shall  
be secured hereby.

15. Grantor agrees to do all acts and make all payments  
required of Grantor and of the owner of the property to make  
said note and this Trust Deed eligible for guaranty or insur-  
ance under the provisions of Chapter 57, Title 38, United  
States Code, and agrees not to do, or cause or suffer to be done,  
any act which will void such guaranty or insurance during  
the existence of this Trust Deed.

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