

TRUST DEED

THIS TRUST DEED, made this 17th day of September, 1971, between  
ARNOLD RAY DAVIS AND AUDREY E. DAVIS, husband and wife

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, Oregon, a corporation organized and existing under the laws of the United States, as beneficiary;

WITNESSETH:

The grantor irrevocably grants, bargains, sells and conveys to the trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as:

A tract of land situated in Lot 26 HOMEDALE, described as follows:

Beginning at an iron pin on the Westerly right of way line of Homedale Road, which lies North 0° 07' East along said Westerly right of way line of said Homedale Road; a distance of 257.8 feet from the iron pin which marks the Southeast corner of Tract 26 Homedale, thence continuing North 0° 07' East along said Westerly right of way of said road 114 feet; thence North 87° 47' West 175.37 feet; thence South 55° 41' East 114.8 feet; thence South 46° 30' West 42.9 feet; thence South 84° 43' East 116.07 feet to the point of beginning.

which said described real property does not exceed three acres, together with all and singular the appurtenances, tenements, hereditaments, rights, issues, profits, water rights and other rights, easements or privileges now or hereafter belonging to, derived from or in anywise appertaining to the above described premises, and all plumbing, lighting, heating, ventilating, air-conditioning, refrigerating, watering and irrigation apparatus, equipment and fixtures, together with all awnings, venetian blinds, floor covering in place and such other walk-to-wall carpeting and linoleum, shades and built-in ranges, dishwashers and other built-in appliances now or hereafter installed in or used in connection with the above described premises, including all interest therein which the grantor has or may hereafter acquire, for the purpose of securing performance of each agreement of the grantor herein contained and the payment of the sum of SIXTEEN THOUSAND ONE HUNDRED AND NO/100 (\$ 16,100.00 ) Dollars, with interest thereon according to the terms of a promissory note of even date herewith payable to the beneficiary or order and made by the grantor, principal and interest being payable in monthly installments of \$ 115.27 commencing October 20 1971.

This trust deed shall further secure the payment of such additional money, if any, as may be loaned hereafter by the beneficiary to the grantor or others having an interest in the above described property, as may be evidenced by a note or notes. If the indebtedness secured by this trust deed is evidenced by more than one note, the beneficiary may credit payments received by it upon any of said notes or part of any payment on one note and part on another, as the beneficiary may elect.

The grantor hereby covenants to and with the trustee and the beneficiary herein that the said premises and property conveyed by this trust deed are free and clear of all unencumbrances and that the grantor will and his heirs, executors and administrators shall warrant and defend his said title thereto against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said note according to the terms thereof and, when due, to deposit property free from all encumbrances having precedence over this trust deed; to complete all buildings in course of construction within fifteen days after the date of the expiration of the term of the said evidence over this trust deed; to complete all buildings in course of construction hereafter constructed on said premises hereafter commenced; to repair and restore the same in good workmanlike manner any building or improvement on said premises damaged by fire or other hazard; to cause a survey of all said property which may be damaged by fire or other hazard to be made by a duly licensed and competent surveyor or surveyors; to cause a survey of all said property to be made by a duly licensed and competent surveyor or surveyors to inspect said property at all costs incurred in such construction; to replace any work or materials unsatisfactory to the grantor or the beneficiary within fifteen days after written notice from the beneficiary to the grantor; to make any improvements now or hereafter made on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair and to commit no act which would waste or spoil said premises; to keep all buildings and improvements now or hereafter erected upon said premises continuously insured against loss by fire or other hazard; to cause all buildings and improvements now or hereafter erected upon said premises to be insured against loss by fire or other hazard in a sum not less than the original principal amount of the note and with fire and theft and to deliver the original policy of insurance in correct form and with full force and effect to the beneficiary; to cause the beneficiary to be named as approved loss payable clause in favor of the beneficiary in the policy of insurance; to cause the beneficiary to be named as approved loss payable clause in favor of the beneficiary in the policy of insurance; to cause the beneficiary to be named as approved loss payable clause in favor of the beneficiary in the policy of insurance. If the beneficiary should die, the beneficiary's estate shall be entitled to the full policy of insurance is not so tendered, the beneficiary may, in its own discretion obtain insurance for the benefit of the beneficiary in which insurance shall be non-cancelable by the grantor during the full term of the policy thus

In order to provide regularly for the prompt payment of said taxes, assessments or other charges and insurance premiums, the grantor agrees to pay to the beneficiary, together with the addition to the monthly payments of the beneficiary, an interest payable under the terms of the note or obligation secured hereby, an amount equal to one-twelfth (1/12th) of the sum of the taxes, assessments or other charges due and payable with respect to said property within each succeeding month, and also one-thirty-sixth (1/36th) of the insurance premiums payable with respect to said property within each succeeding three years while such sums to be so paid therefor shall remain unpaid by the beneficiary, this trust deed remains in effect, as evidence of the loan until required for the such sums to be so paid therefor and shall thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sums so paid by the beneficiary to the lender, as interest, to pay said the taxes, assessments or other charges when they shall become due and payable.

While the grantor is to pay any and all taxes, assessments and other charges levied or assessed against said property or any part thereof, before the same begin to run, and also to pay premiums on all insurance policies upon said property, such payments are to be made through the beneficiary, as aforesaid. The grantor hereby authorizes the beneficiary to pay the same, and to execute all documents and statements thereof furnished by the collector or such taxes, assessments or other charges, and to pay the same, and to pay premiums in the amounts shown on the statements submitted by the insurance carriers or their representatives, and to charge said amounts to the principal of the loan or to withhold said amounts to be required from the reserve account or to hold the beneficiary responsible for failure to have any insurance written or to hold the beneficiary responsible for a defect in any insurance policy, and the beneficiary hereby agrees to indemnify the lender, and to compromise and satisfy all insurance company and to apply any such insurance proceeds upon the obligations secured by this trust deed, in extinguishing the amount of the indebtedness for payment and satisfaction in full or upon sale or other acquisition of the property by the beneficiary after

default, any balance remaining in the reserve account shall be credited to the indebtedness. If the reserve account for taxes, assessments, insurance premiums and other charges is not sufficient at any time for the payment of such charges as they become due, the grantor shall pay the deficit to the beneficiary upon demand, and if not paid within ten days after such demand, the beneficiary may at its option add the amount of such deficit to the principal of the obligation secured hereby.

Should the grantor fail to keep any of the foregoing covenants, then the beneficiary may at its option carry out the same, and all its expenditures therefor shall draw interest at the rate specified in the note, shall be repayable by the grantor on demand and shall be secured by the lien of its first mortgage. In the grantor on demand and shall be secured by the lien of its first mortgage. In this connection, the beneficiary shall have the right in its discretion to complete any improvements made on said premises and also to make such repairs to said property as in its sole discretion it may deem necessary or advisable.

The grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to pay all costs, fees and expenses, 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 in appearing in and defending any suit brought or about to be brought by or for the benefit of the beneficiary or trustee; to purchase and maintain adequate liability insurance to protect the trust and expenses, including cost of evidence of title and attorney's fees in a suit brought by or for the benefit of the beneficiary or trustee; to pay all reasonable sums to be fixed by the court, in any suit brought by or for the benefit of the beneficiary or trustee, and in any suit brought by beneficiary to foreclose this deed, and all said sums shall be secured by this trust deed.

The beneficiary will furnish to the grantor on written request therefor an annual statement of account but shall not be obligated or required to furnish any further statements of account.

It is mutually agreed that:

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1. In the event that any portion or all of said property shall be taken under the eminent domain or condemnation, the beneficiary shall have the right to commence, prosecute in its own name, appear in or defend any action or proceedings, or to make any appeal in connection with such taking, and to require that all or any portion of the money payable as compensation for such taking, which are in excess of the amount paid to any all reasonable expenses incurred by the beneficiary in connection with such proceedings, shall be paid to the beneficiary and shall be applied by it first upon any reasonable costs and expenses and then to the satisfaction of the indebtedness secured hereby, and the fees necessarily paid out of the proceeds of such proceedings, and the grantor agrees, that the beneficiary shall be authorized to execute such instruments as may be necessary in obtaining such compensation, promptly upon the beneficiary's request.

2. At any time and from time to time upon written request of the beneficiary, payment of, and presentation of this deed and the note for encumbrance, in case of full reconveyance, for cancellation), without affecting the validity of any person for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any encumbrance or creating any lien thereon; (c) join in any subordination of any encumbrance or lien affecting this deed or the lien or charge hereof; (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 to the deed and the recitals therein of any nature or kind shall be conclusive proof of the facts therein stated. Trustee's fees for any of the services in this paragraph shall be \$5.00.

3. As an additional security, grantor herewith assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property owned by and in his name and of any personal property located thereon. Until the said property is sold, the said rents, issues, royalties and profits shall be paid to the grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, grantor shall be deemed to have assigned to beneficiary all such rents, issues, royalties and profits earned prior to default as they are earned, and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a duly authorized attorney in law, enter upon and take possession of the security for the indebtedness secured hereby, and may sell the same and apply the proceeds of the sale to the payment of the indebtedness secured hereby, and the said rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, to the satisfaction of the said attorney in law upon the indebtedness secured hereby, and in such order as the said attorney in law may determine.

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4. 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.

5. The grantor shall notify beneficiary in writing of any sale or contract for sale of the above described property and furnish beneficiary as form supplied it with such personal information concerning the purchaser as would ordinarily be required of a new loan applicant and shall pay beneficiary a service charge.

6. Time is of the essence of this instrument and upon default by the grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable by delivery to the trustee of written notice of default and election to sell the trust property, which notice trustee shall cause to be duly filed for record. Upon delivery of said notice of default and election to sell, the beneficiary shall deposit with the trustee this trust deed and all promissory notes and documents evidencing expenditures secured hereby, whereupon the trustee shall fix the time and place of sale and give notice thereof as then required by law.

7. After default and any time prior to five days before the date set by the Trustee for the Trustee's sale, the grantor or other person so privileged may pay the entire amount then due under this trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$50.00 each) other than such portion of the principal as would not then be due had no default occurred and thereby cure the default.

8. After the lapse of such time as may then be required by law following the recordation of said notice of default and giving of said notice of sale, the trustee shall sell said property at the time and place fixed by him in said notice of sale, either as a whole or in separate parcels, and in such order as he may determine, at public auction to the highest bidder for cash, in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. The trustee shall deliver to the purchaser his deed in form as required by law, conveying the property so sold, but without any warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee but including the grantor and the beneficiary, may purchase at the sale.

9. When the Trustee sells pursuant to the powers provided herein, the trustee shall apply the proceeds of the trustee's sale as follows: (1) To the payment of the principal and interest on the indebtedness secured by the trust deed, and a reasonable charge by the attorney; (2) To the obligation secured by the trust deed; (3) To all persons having recorded liens subsequent to the interests of the trustee in the trust deed as their interests appear in the order of their priority; (4) The surplus, if any, to the grantor of the trust deed or to his successor in interest entitled to such surplus.

10. For any reason permitted by law, 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 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 the beneficiary, containing reference to this trust deed and its place of record, which, when recorded in the office of the county clerk or recorder of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

11. 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 the grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by the trustee.

12. This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including assigns, of the note 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/or neuter, and the singular number includes the plural.

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IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal the day and year first above written.

*Arnold Ray Davis* (SEAL)  
*Audrey E. Davis* (SEAL)

STATE OF OREGON } ss.  
County of Klamath }  
THIS IS TO CERTIFY that on this 17 day of September, 1971, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named ARNOLD RAY DAVIS AND AUDREY E. DAVIS, husband and wife to me personally known to be the identical individual(s) named in and who executed the foregoing instrument and acknowledged to me that they executed the same freely and voluntarily for the uses and purposes therein expressed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

*James D. Bouchie*  
Notary Public for Oregon  
My commission expires: 10-25-74

Loan No. _____	STATE OF OREGON } ss. County of Klamath }
<b>TRUST DEED</b>	
TO _____ Grantor	
FIRST FEDERAL SAVINGS & LOAN ASSOCIATION	
Beneficiary	
After Recording Return To: FIRST FEDERAL SAVINGS 540 Main St. Klamath Falls, Oregon	
(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)	I certify that the within instrument was received for record on the <u>11th</u> day of <u>October</u> , 19 <u>71</u> , at <u>3:50</u> o'clock P M., and recorded in book <u>M71</u> on page <u>10699</u> Record of Mortgages of said County.
Fee \$ <u>3.00</u>	Witness my hand and seal of County affixed.
	<u>Wm. D. Milne</u> County Clerk
	By <i>Cynthia Campbell</i> Deputy

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

TO: William Ganong, Trustee

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said trust deed or have been fully paid and satisfied. 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 are delivered to you herewith together with said trust deed) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the estate now held by you under the same.

First Federal Savings and Loan Association, Beneficiary  
by \_\_\_\_\_

DATED: \_\_\_\_\_, 19\_\_\_\_