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TRUST DEED

THIS TRUST DEED, made this 19th day of May, 1972, between

TRUST DEED, made this 19th day of \_\_\_\_\_  
MORRIS G. AYERS and DIANE K. AYERS, husband and wife

\_\_\_\_\_, as grantor, William Ganong, Jr., as trustee, and  
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:

Lots 2 and 3 in Block 45 of LAKEVIEW ADDITION TO  
THE CITY OF KLAMATH FALLS, Klamath County, Oregon.

which said described real property does not exceed three acres, together with all and singular the appurtenances, tenements, hereditaments, issues, profits, water rights and other rights or ensembles 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 such as wall-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

FIVE THOUSAND SIX HUNDRED & NO/100

each agreement of the grantor herein contained and the payment of the sum of TWELVE THOUSAND SIX HUNDRED & NO/1  
 (\$ 12,600.00 ) 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 \$ 93.11 commencing  
June 20, 1972

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 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 encumbrances 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, all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances having precedence over this trust deed to complete all buildings in course of construction over this trust deed constructed on said premises within six months from the date hereof or the date construction is hereafter commenced; to repair, rebuild or improve on promptly and in good workmanlike manner any buildings destroyed and pay, when due, all costs and expenses therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or material unnecessarily furnished by beneficiary within fifteen days after notice from beneficiary of such fact; not to remove or destroy any buildings or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter erected on said premises continuously insured against loss by fire or other causes and the beneficiary may from time to time require, by first giving notice to the grantor, that the beneficiary be insured by the insurer of its own choice, but not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver the original policy or policies to the beneficiary attached with approved copy of the policy or policies; to pay the principal sum of the note when due, to pay, to the principal place of business of the beneficiary at least fifteen days prior to the effective date of any renewal of the policy, in its own said policy of insurance is not to cancel the benefit of the beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus obtained.

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 and in addition to the monthly payments of the principal and interest payable under the terms of the note or obligation hereinbefore, an amount equal to one-twelfth (1/12) of the said taxes, assessments and hereby, an amount equal to one-twelfth (1/12) of the said insurance premiums, other charges due and payable with respect to said property within each succeeding year, and also one-thirty-third (1/30th) of the insurance premiums payable with respect to said property within each succeeding three years. This trust deed remains in effect until the principal of the loan until required for the satisfaction of the loan, and the interest thereon shall be paid by the beneficiary for general purposes thereof and shall thereupon be charged to the income of the loan; or, at the option of the beneficiary, the interest thereon shall be held by the beneficiary in a separate account, without interest, to pay said premiums, taxes, assessments or other charges when they shall become due and payable.

[illegible]

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 this trust deed. 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 of this trust, including the cost of title search, as well as the cost of the costs and expenses of the trustee incurred in connection with the administration of the trust, including the cost of any suit brought or intended to be brought, in enforcing this obligation, and trustee's and attorney's fees actually incurred; to appear in and defend any suits or proceedings brought or intended to be brought by or for the benefit of the beneficiary or trustee; and to pay all litigation costs and expenses, including cost of evidence of title and attorney's fees, in any suit or proceeding in which the beneficiary or trustee may be involved; to cause to be paid in reasonable sum to be fixed by the court, in any suit or proceeding brought by the beneficiary or trustee to enforce this deed, and in any suit brought by beneficiary or trustee to enforce this deed, and all 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 right of eminent domain or condemnation, the beneficiary shall have the right to commence, prosecute or defend, in its own name, appear in or defend any action, suit or proceeding, to make any compromise or settlement in connection with such taking and, if it so elects, to require that all or any portion of the amount recoverable as compensation for such taking, which are in excess of the amount reasonably paid for such taking, shall be paid to the beneficiary or its assigns. In such proceedings, shall be paid to the beneficiary or its assigns, in addition to the reasonable costs, expenses and attorneys' fees necessarily paid or incurred by the beneficiary in such proceedings, shall be paid to the beneficiary or its assigns, and shall be applied by it first upon any reasonable costs and expenses and attorneys' fees necessarily paid or incurred by the beneficiary in such proceedings; and the grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the beneficiary's request.

request.

2. At any time and from time to time upon written request of the beneficiary, payment of its fees and preservation of this deed and the note for enforcement (in case of full reconveyance, for cancellation), without affecting the dormancy (in case of full reconveyance) of the indebtedness, the trustee may release to any person for the payment of the said property: (a) join in granting consent to the making of any map or plat of said property; (b) join in granting any easement or covenant affecting this deed or the lien or charge hereof; (c) convey, or agree to convey, all or any part of the property, the grantee to be named therein, without warranty, all or any part of the property. The grantee shall be deemed to have accepted the matter herein provided "hereunto" and once may be described as the "person" who has been named in the deed and the recitals therein. The trustee's action or facts shall be conclusive proof of the matter thereof. Trustee's fees for any of the services in this paragraph shall be \$5.00.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property owned and by deed and of any personal property located thereon. Unitrust shall have the right to collect and receive all such rents, issues, royalties and profits and grantor shall default in the payment of any indebtedness secured hereby if he fails to perform the performance of any agreement hereunder. Grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they accrue and shall be 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 officer, enter upon and take possession of the property, or any part thereof, in its own name sue for or recover the rents, issues and profits, including the operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

