

TRUST DEED

THIS TRUST DEED, made this 9th day of June 1972, between THOMAS L. MAC PHEE AND THERESA J. MAC PHEE, 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:

JUN 12 1972

Lots 7 and 8 in FIRST ADDITION TO ST. FRANCIS PARK, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon

which said described real property does not exceed three acres, together with all and singular the appurtenances, tenements, hereditaments, rents, 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 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 each agreement of the grantor herein contained and the payment of the sum of **SIXTEEN THOUSAND EIGHT HUNDRED FIFTY & NO/100 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 \$ 117.85 commencing July 20, 1972.

This trust deed shall further secure the payment of such additional money, as may be loaned 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, that the said premises and property conveyed by this trust deed are free and clear of all encumbrances, and 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 and when due, all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances having pre-existed over this trust deed; to complete all buildings in course of construction heretofore constructed on said premises within six months from the date hereof or such date construction is hereafter commenced to repair and restore promptly and in a workmanlike manner any building or improvement on said property which may be damaged or destroyed and pay, when incurred, all costs incurred therefor to allow the beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactory to the beneficiary within fifteen days after written notice from beneficiary of such fact, not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair and to permit or suffer no waste of said premises; to keep all buildings, property and fixtures now or hereafter erected on said premises continuously insured, against loss by fire or such other hazards as the beneficiary may from time to time require, in a sum 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 of insurance in correct form and with approved loss payable clause in favor of the beneficiary, and with premium paid to the best of the ability of the beneficiary, least fifteen days prior to the effective date of any such policy of insurance. It is agreed that the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance thus obtained, is non-cancellable by the grantor during the full term of the policy thus obtained.

In order to provide security 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 principal and interest payable under the terms of the note or obligation secured by the amount equal to one-twelfth (1/12th) of the taxes, assessments and other charges due and payable with respect to said property for each succeeding twelve months, also one-thirty-sixth (1/36th) of the insurance premiums payable with respect to said property within each succeeding three years while this trust deed remains in effect as estimated and directed by the beneficiary, such sums to be credited to the principal of the loan until required for the general purposes thereof and shall thereupon be charged to the principal of the loan, at the option of the beneficiary, the sum so due shall be held by the beneficiary in trust as a reserve account, without interest, to pay said premiums, 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, any part thereof, before the same accrue to bear interest and also to pay premiums on all insurance policies upon said property, such payments are to be made directly to the beneficiary, as aforesaid, the grantor hereby authorizes the beneficiary to pay any and all taxes, assessments and other charges levied or imposed against said property in the amounts as shown by the statements thereof furnished by the collector of such taxes, assessments and other charges, and to pay the insurance premiums in the amounts shown on the statements submitted by the collectors or their representatives, and to charge said sums to the principal of the loan or to withdraw the sums which may be required from the reserve account if any established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance policy, and the beneficiary hereby authorizes, in the event of any insurance claim, to compromise and settle with any insurance company and to apply any such receipts upon the obligations secured by this trust deed. In computing the amount of the indebtedness for payment in satisfaction, in full or upon sale or other acquisition of the property by the beneficiary after

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:

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 compensation, prosecute in its own name, annex or defend any action or proceeding, and to make any compromise or settlement in connection with such taking and, if it so desires, to require that all or any portion of the amount payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary and not to him. It is first upon any reasonable costs, expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance applied to the indebtedness secured hereby; 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.

2. At any time and from time to time upon written request of the beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance for cancellation), without affecting the liability 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 easement or creating and restricting thereon, including in any subdivision or other agreement affecting this deed or the lien or charge hereunder; (c) reconvey, without warranty, any and part of the property. The grantee in such reconveyance may be described in 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'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 this trust all rents, issues, royalties and profits of the property affected by this deed and/or any part thereof located thereon. Until the principal of any agreement hereunder, grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default, as they become due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time give notice, either in person, by agent, or by receiver to be appointed by a court, and without regard to the inadequacy of any such property, or any part thereof, in its own name sue for, or otherwise collect the rents, issues, and profits, including those paid and unpaid, and apply the same, with costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

