

VA Form 10-4881e (Home Loan)
July 1964. Use Optional Section
1810, Title 38, U.S.C. Acceptable
to Federal National Mortgage
Association.

A-22011
TRUST DEED

THIS TRUST DEED, made this 31st day of July, 1972, between

GARY DONALD SCHULTZ and PENNY L. SCHULTZ, husband and wife, as GRANTOR, S
4813 Memoric Lane, Klamath Falls, Oregon 97601

KLAMATH COUNTY TITLE COMPANY, as TRUSTEE,

422 Main Street, Klamath Falls, Oregon 97601

and FIRSTBANK MORTGAGE CORPORATION, a Washington corporation, as BENEFICIARY,
Securities Building, Seattle, Washington 98101

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 9, in Block 4, WINCHESTER 1025, 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 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:

Hotpoint Range RF 48
Hotpoint Disposer
Wall to wall carpeting

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of EIGHTEEN THOUSAND SEVEN HUNDRED FIFTY and NO/100- - - Dollars (\$ 18,750.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor,

the final payment of principal and interest thereof, if not sooner paid, to be due and payable on the first day of September , 2002

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 payable 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 ($\frac{1}{12}$) 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 workmanlike 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, covenants, 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 premises, and except when payment for all such premiums has heretofore been made under (a) of paragraph 2 hereof, to pay promptly when due any premiums therefor; and to deliver all policies with loss payable to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums. The amount collected under any fire or other insurance policy may be applied 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 paragraphs 10 and 11 of this Trust Deed, shall be added to and become a part of the debt secured by this Trust Deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the Grantor,

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 Beneficiary, render all sums secured by this Trust Deed immediately due and payable and constitute a breach of this Trust Deed.

10. To pay all costs, fees and expenses of this trust, 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 trustees and attorney's fees actually incurred.

11. To appear in and defend any action or proceeding purporting 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, assessments and charges for water, appurtenant to or used in connection with said property; to pay, when due, all encumbrances, 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 without 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 defend 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, including 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 insurance under the provisions of Chapter 37, 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.

secured hereby, shall be added to and be-
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-

said note and 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-

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It is MUTUALLY AGREED THAT:

16. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemna-
tion proceeding, or damaged by fire, or earthquake, or in any
other manner, Beneficiary shall be entitled to all compensa-
tion, awards, and other payments or relief therefor, and shall
be entitled at its option to commence, appear in and prosecute
in its own name, any action or proceedings, or to make any
compromise or settlement, in connection with such taking or
damage. All such compensation, awards, damages, rights of
action and proceeds, including the proceeds of any policies of
fire and other insurance affecting said property, are hereby
assigned to Beneficiary, who may after deducting therefrom
all its expenses, including reasonable attorney's fees, apply
any moneys so received by it, at its option, either to the res-
toration of the damaged premises or to the reduction of the
indebtedness. Grantor agrees to execute such further assign-
ments of any compensation, award, damage, and right of
action and proceeds as Beneficiary or Trustee may require.

17. That upon the request of the Beneficiary the Grantor
shall execute and deliver a supplemental note or notes for the
sum or sums advanced by the Beneficiary for the alteration,
modernization, improvement, maintenance, or repair of said
premises, for taxes or assessments against the same and for
any other purpose hereby on a parity with and as fully as if
the advance evidenced thereby were included in the note first
described above. Said supplemental note or notes shall bear
interest at the rate provided for in the principal indebtedness
and shall be payable in approximately equal monthly pay-
ments for such period as may be agreed upon by the Bene-
ficiary and Grantor. Failing to agree on the maturity, the
whole of the sum or sums so advanced shall be due and pay-
able thirty (30) days after demand by the Beneficiary. In
no event shall the maturity extend beyond the ultimate ma-
turity of the note first described above.

18. By accepting payment of any sum secured hereby after
its due date, Beneficiary does not waive its right either to
require prompt payment when due of all other sums so se-
cured or to declare default for failure so to pay.

19. That the lien of this instrument shall remain in full
force and effect during any postponement or extension of the
time of payment of the indebtedness or any part thereof se-
cured hereby.

20. Should proceedings be instituted to register title of said
property under any Land Title Law, Grantor will pay upon
demand all sums expended by Trustee or Beneficiary, includ-
ing reasonable attorney's fees, and forthwith deliver to Bene-
ficiary all evidence of title.

21. At any time and from time to time upon written request
of Beneficiary, payment of its fees and presentation of this
Trust Deed and the note for endorsement (in case of full re-
conveyance, for cancellation and retention), without affecting
the liability of any person for the payment of the indebtedness,
Trustee may (a) consent to the making of any map or plat of
said property; (b) join in granting any easement or creating
any restriction thereon; (c) join in any subordination or other
agreement affecting this Trust Deed or the lien or charge
thereof; (d) reconvey, without warranty, all or any part of
the property. The Grantee in any reconveyance may be de-
scribed as 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 mentioned in this paragraph shall be \$5.

22. As additional security, Grantor hereby assigns to Bene-
ficiary during the continuance of these trusts, all rents, issues,
royalties, and profits of the property affected by this Deed
and of any personal property located thereon. Until Grantor
shall default in the payment of any indebtedness secured here-
by or in 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 become due and
payable, save and excepting rents, issues, royalties, and profits
arising or accruing by reason of any oil, gas, or mineral lease
of said property. If Grantor shall default as aforesaid,
Grantor's right to collect any of such moneys shall cease and
Beneficiary shall have the right, with or without taking pos-
session of the property affected hereby, to collect all rents,
royalties, issues, and profits. Failure or discontinuance of
Beneficiary at any time, or from time to time to collect any
such moneys shall not in any manner affect the subsequent en-
forcement by Beneficiary of the right, power, and authority
to collect the same. Nothing herein contained shall be, or be
construed to be, an affirmation by Beneficiary of any tenancy,
lease or option, nor an assumption of liability under, nor a
subordination of the lien or charge of this Trust Deed to any
such tenancy, lease or option.

23. Upon any default by Grantor hereunder, Beneficiary
may at any time without notice, either in person, by agent, or
by a receiver to be appointed by a Court, and without regard
to the adequacy of any security for the indebtedness hereby
secured, enter upon and take possession of said property or
any part thereof, in its own name, sue for or otherwise collect
said rents, issues, and profits, including those past due and
unpaid, and apply the same, less costs and expenses of oper-
ation and collection, including reasonable attorney's fees, upon
the indebtedness secured hereby, and in such order as
Beneficiary may determine.

24. The entering upon and taking possession of said prop-
erty, the collection of such rents, issues, and profits or the pro-
ceeds of fire and other insurance policies, or compensation or
awards for any taking or damage to 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.

25. Upon default by Grantor in payment of any indebted-
ness secured hereby or in performance of any agreement here-

under, Beneficiary may declare all sums secured hereby im-
mediately due and payable by delivery to Trustee of written
notice of default and election to sell the trust property, which
notice Trustee shall cause to be duly filed for record. If
Beneficiary desires said property to be sold, it shall deposit
with 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.

26. If after default and prior to the time and date set by
the Trustee for the Trustee's sale, the Grantor or other person
so privileged by ORS 86.760 pays the entire amount then due
under the terms of this Trust Deed and the obligation secured
thereby, other than such portion of the principal as would not
then be due had no default occurred, the Grantor or other per-
son making such payment shall also pay to the Beneficiary all
of Beneficiary's costs and expenses incurred up to said time in
enforcing the terms of the obligation, including Trustee's and
attorney's fees not exceeding \$50 if actually incurred.

27. After the lapse of such time as may then be required by
law following the recordation of said notice of default and
the giving of said notice of sale, Trustee shall sell said prop-
erty at the time and place fixed by it in said notice of sale,
either as a whole or in separate parcels, and in such order as
it 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 shall deliver to the purchaser its deed in
form as required by law conveying the property so sold, but
without any covenant or warranty, express or implied. The
recitals in this Trust Deed of any matters or facts shall be con-
clusive proof of the truthfulness thereof. Any person, exclud-
ing the Trustee, but including the Grantor and Beneficiary,
may purchase at the sale.

28. When Trustee sells pursuant to the powers provided
herein, Trustee shall apply the proceeds of sale to payment
of (1) the expenses of sale, including a reasonable charge by
the Trustee; (2) to the obligation secured by this Trust Deed;
(3) to all persons having recorded liens subsequent to the
interest of the Trustee in this Trust Deed as their interest
may appear in order of their priority; and (4) the surplus, if
any, to the Grantor or to his successor in interest entitled to
such surplus.

29. For any reason permitted by law Beneficiary may from
time to time appoint a successor or successors to any Trustee
named herein or to any successor Trustee appointed here-
under. 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 substi-
tution shall be made by written instrument executed by Bene-
ficiary, 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 prop-
erty is situated, shall be conclusive proof of proper appoint-
ment of the Successor Trustee.

30. (a) The waiver by Trustee or Beneficiary of any de-
fault of Grantor under this Trust Deed shall not be or be
deemed to be a waiver of any other or similar defaults sub-
sequently occurring.

(b) The pleading of any statute of limitations as a de-
fense to any and all obligations secured by this Trust Deed is
hereby waived, to the full extent permissible by law.

31. (a) In addition to any of the powers or remedies con-
ferred upon the Trustee and the Beneficiary or either of them
under this instrument, the Trustee and Beneficiary jointly, or
either, may bring an action in the proper court for the fore-
closure of this instrument as a mortgage, upon default, and
upon proper proof obtain all the remedies in such action that
are given by any statute or other law of the State of Oregon.

(b) No power or remedy herein conferred is exclusive of,
or shall prejudice any other power or remedy of Trustee or
Beneficiary.

(c) The exercise of any power or remedy on one or more
occasions shall not exclude the future exercise thereof from
time to time upon the conditions prescribed herein or by op-
eration of law.

32. If a final decree in favor of plaintiff is entered in a suit
brought to foreclose this Trust Deed, it may include a reason-
able attorney fee as provided in the note secured hereby, but
not in excess of the amount actually paid or unconditionally
incurred by the proper plaintiffs.

33. This Trust Deed shall inure to and bind the heirs, lega-
tees, devisees, administrators, executors, successors, and as-
signs of the parties hereto. All obligations of the Grantor
hereunder are joint and several. The term "Beneficiary" shall
mean the owner and holder, including pledgees of the indebt-
edness secured hereby, whether or not named as Beneficiary
herein, and whether by operation of law or otherwise. When-
ever used, the singular number shall include the plural, the
plural the singular, and the use of any gender shall include
all genders.

34. Trustee accepts this Trust when this Trust Deed, duly
executed and acknowledged, is made a public record as provided
by law. Trustee is not obligated to notify any party hereto
of pending sale under any other Trust Deed or of any action
or proceeding in which Grantor, Beneficiary or Trustee shall
be a party, unless brought by Trustee.

35. If the indebtedness secured hereby be guaranteed or in-
sured under Title 38, United States Code, such Title and Reg-
ulations issued thereunder and in effect on the date hereof
shall govern the rights, duties and liabilities of the parties
hereto, and any provisions of this or other instruments exe-
cuted in connection with said indebtedness which are incon-
sistent with said Title and Regulations are hereby amended
to conform thereto.

36. This Trust Deed shall be construed according to the
laws of the State of Oregon.

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

Gary Donald Schultz [SEAL]

Penny L. Schultz [SEAL]

STATE OF OREGON,

COUNTY OF Klamath

August 3, 1972

Personally appeared the above-named Gary Donald Schultz and Penny L. Schultz and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:



[SEAL]

Notary Public for the State of Oregon.

My commission expires: 8-5-75

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, 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 have been fully paid and satisfied. You are hereby 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.

Mail reconveyance and documents to _____

Dated _____, 19_____

Beneficiary.

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

Firstbank Loan VV-99568-S

Trust Deed

GARY DONALD SCHULTZ

and

PENNY L. SCHULTZ

Grantor.

To

FIRSTBANK MORTGAGE CORPORATION

Beneficiary.

STATE OF OREGON,

COUNTY OF Klamath

ss:

I certify that the within instrument was received for record on the 25 day of

August, 1972

at 4:11 o'clock P. M., and recorded

in Book N-72 on page 9583

Record of Mortgages of said County.

Witness my hand and seal of county affixed.

Wm. D. Milne

County Clerk-Recorder.

By W. D. Milne Deputy.

Mail to: Firstbank Mortgage Corp.
700 N. E. Multnomah St.
Suite 480, Lloyd Building.
Portland, Ore. 97232