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STEPHEN L. CAFFERATA and WILDA B. CAFFERATA, 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:

The West 104 feet of the East 211 feet of Lot 2 in Block 3 of MIDLAND HILLS ESTATES, 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, 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 the payment of the grantor herein contained, and the payment of the sum of **TWENTY THOUSAND AND NO/100-**

each agreement of the grantor herein contained and the payment of the sum of \$13,070.00 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 \$13.07 Dollars, commencing on April 20th 1975.

This trust deed shall further secure the payment of such additional money, if any, as may be due 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 payment 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 promises 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.

[illegible]

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 a sum together with and in addition to the monthly payments of the beneficiary's interest payable under the terms of the note or obligation referred to herein, to wit: one-twelfth (1/12th) of the said taxes, assessments and hereby, an amount equal to one-twelfth (1/12th) of the said taxes, assessments and other charges due and payable with said property within each succeeding year, and also one-thirty-sixth (1/36th) of the insurance premiums payable with respect to said property within each succeeding three years, the sum to be paid to the principal of the loan until required for the same purpose thereof and shall thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sum to be paid to the beneficiary in the form of interest, with or 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 be paid by the grantor. If the beneficiary is not the owner of the property for shall draw interest at the rate specified in the note, shall be repayable to the grantor on demand and shall be secured by the lien of the 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.

[illegible]

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:

[illegible]

2. At any time and from time to time upon written request of the beneficiary, payment of this fee and presentation of this deed and the note for encumbrance, in full (of full reconveyance, for cancellation), without affecting the discharge of the debt, the trustee shall have the right to require the beneficiary to consent to the making of any map or plat of said property; (d) in no event shall the beneficiary be required to (1) join in any subordination of any easement or other interest affecting this deed or the lien or charge hereof; (2) reconvey, or agree to reconvey, the property to the beneficiary; (3) execute any deed or instrument without warranty, all or any part of the property. The grantor and the beneficiary agree that the facts and circumstances surrounding the execution of this deed and the recitals hereof and the matters or facts shall be conclusive proof of the truth of the foregoing. Trustee's fees for any of the services in this paragraph shall be \$5.00.

2. As additional security, grantor herewith assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the production of oil, gas, coal and of any personal property located thereon, until payment is received by grantor or his estate, in full of the indebtedness secured hereby. Grantor shall default in the payment of any indebtedness secured hereby, if he fails to perform any of the obligations herein set forth, or if he fails to pay to beneficiary the performance of any agreement hereunder, or if he fails to pay to beneficiary 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 without notice, either in person or by agent or by attorney, do whatever he may deem necessary, hereto authorized, by agent or by attorney to be appointed by a court of competent jurisdiction, to enter upon and take possession of said lands, and all personal property, real estate, oil, gas, coal, and any other real and personal property, or any part thereof, in its own name sue for or to be paid, and apply the rents, issues and profits, including the proceeds of any oil, gas, coal, or other mineral, the same, less costs and attorney's fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

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 on a 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 \$5.00 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 recording 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 covenant or 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 expenses of the sale including the compensation of the trustee, 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 interest 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 and 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 pledgees, 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.

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

Stephen D. Cafferata (SEAL)

Wylde B. Cafferata (SEAL)

STATE OF OREGON } ss.
County of Klamath }

THIS IS TO CERTIFY that on this 27th day of March, 1973, before me, the undersigned a Notary Public in and for said county and state, personally appeared the within named Stephen D. Cafferata and Wylde B. Cafferata, 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.

(SEAL)

James B. Boake
Notary Public for Oregon
My commission expires: 10-25-74

Loan No. _____	STATE OF OREGON } ss. County of Klamath }
TRUST DEED	
_____ Grantor	I certify that the within instrument was received for record on the _____ day of _____, 19 <u>73</u> , at <u>11:12</u> o'clock <u>A</u> .M., and recorded in book <u>473</u> on page <u>3407</u> Record of Mortgages of said County.
TO FIRST FEDERAL SAVINGS & LOAN ASSOCIATION	Witness my hand and seal of County _____
Beneficiary	By <i>Hazel Dragil</i> Deputy
After Recording Return To: FIRST FEDERAL SAVINGS 540 Main St. Klamath Falls, Oregon	County Clerk
	By <i>Hazel Dragil</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 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____