

THIS TRUST DEED, made this 11th day of April, 1973, between
JAMES E. SMITH and FRANCES E. SMITH, 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:

Lot 5 in Block 1, BRYANT TRACTS NO. 2, 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

ELEVEN THOUSAND THREE HUNDRED -

described premises, including all interest therein which the grantor has or may hereafter acquire, shall be paid by the grantor to the beneficiary or order and made by the grantor principal and interest being payable in monthly installments of \$ 80.25 commencing each agreement of the grantor herein contained and the payment of the sum of ELEVEN THOUSAND THREE HUNDRED-FIFTY AND NO/100 (\$ 11,350.00) 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 \$ 80.25 commencing May 15, 1973.

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, including all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances having priority over said policy; to complete all buildings within six months from the date hereafter construction is hereafter commenced; to repair and restore said property and its contents and the building and its contents as promptly and in good workmanlike manner any building or contents are damaged or destroyed by fire or other hazards; when, during, or after construction; to allow beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary of such defect; to complete any building or improvements now or hereafter erected upon said property in good repair; to insure said property and improvements on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair; to insure said property and improvements on said premises continuously insured against loss by fire or other hazards as the beneficiary may from time to time direct; to pay the sum of \$100,000.00 in cash or in 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 at least with premium paid prior to the effective date of any such policy of insurance. If said policy of insurance is not so tendered, the beneficiary, which insurance discretion obtain insurance for the benefit of the beneficiary, which insurance is not cancellable 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, hereinafter with and in addition to the monthly payments of principal and interest payable under the terms of the note or obligation hereinbefore made, an amount equal to one-twentieth (1/20th) of the said assessments and other charges, taxes, premiums, and also one-thirty-sixth (1/36th) of the Insurance premiums payable with respect to said property within each succeeding three years, payable with respect to said property within each succeeding three years, which sum this trust deed remains in effect, as principal of the loan until required for the such sum to be applied to the payment of the said assessments, taxes, premiums, and other purposes thereof and shall thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sum of the said assessments, taxes, premiums, and other charges, taxes, assessments or other charges when they shall become due and payable in trust for the said beneficiary, without interest, to pay said premiums, taxes, assessments or other charges when they shall become due and payable.

and paysame. 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 bear interest, such payments are to be made through the beneficiaries upon receipt of property, and the grantor agrees to pay the same, if any, and all taxes, assessments and other charges shown in the statements thereof furnished said property in the amounts said, shown in the statements or other charges, and to pay the same, if any, and all taxes, assessments and other charges shown in the statements submitted by the insurance carriers or their representatives, and to charge said amounts to the principal of the loan or to withdraw the same from the fund, as the grantor agrees to hold the beneficiary responsible for failure to have any insurance written or for any loss or damage growing out of a defect in any insurance policy, and the beneficiary hereby is authorized to consent to any loss, to compromise and to settle with any insurance company and to apply any proceeds of insurance to the payment of the indebtedness for which the property is encumbered, the amount of the indebtedness for payment and satisfaction in or about the amount of the proceeds of the insurance, and to apply the same 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 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 any and all taxes, including but not limited to gift taxes, and all of 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 enforcing this obligation, and any and all costs and expenses incurred by or for the beneficiary or trustee 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 right of eminent domain or condemnation, the beneficiary shall have the right to cause to be prosecuted in its own name, appear in or defend any action, suit, proceedings, or 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 money 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 it first in such proceedings, shall be paid to the beneficiary and applied by it to pay any reasonable costs and expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings. The balance applied upon the indebtedness of the beneficiary to the grantor agrees, at its own expense, to make all payments 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 other agreement affecting this deed or the lien or charge hereof; (c) reconvey, with or without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons" who are the owner or owners and the recitals therein of any matter or facts shall be conclusive proof of the truth thereof. Trustee's fees for any of the services in this paragraph shall be \$5.00.

3. As additional security, grantor herassigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property owned and by this deed and of any personal property located therein. Until payment in full of all indebtedness secured hereby, beneficiary shall have the right to the performance of any agreement or agreements made by grantor prior to the date of all such indebtedness, and all 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, by agent or by a receiver to be appointed by a court of competent jurisdiction, enter upon and take possession of all real and personal property, including the property, the adequacy of any security, or any part thereof, in its own name sue for or otherwise collect the rents, issues and profits, including those past due and in arrears, and all other income and profits of the property, including operation and collection, including reasonable fees and expenses, of any indebtedness secured hereby, and in such order as the beneficiary 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 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 of default and election to sell, 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.

nonpayment 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 trustee 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 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 pledgee, 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.

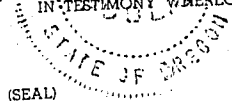
IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal the day and year first above written.

James E. Smith (SEAL)
Frances E. Smith (SEAL)

STATE OF OREGON } ss.
County of Klamath

THIS IS TO CERTIFY that on this 11th day of April, 19 73, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named JAMES E. SMITH and FRANCES E. SMITH, 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.



Shera L. W. Brown
Notary Public for Oregon
My commission expires: 11-12-74

Loan No. _____

TRUST DEED

Grantor

TO
FIRST FEDERAL SAVINGS &
LOAN ASSOCIATION

Beneficiary

After Recording Return To:

FIRST FEDERAL SAVINGS

540 Main St. 99435
Klamath Falls, Oregon

(DON'T USE THIS
SPACE; RESERVED
FOR RECORDING
LABEL IN COUN-
TIES WHERE
USED.)

FEE \$ 4.00

STATE OF OREGON } ss.
County of Klamath

I certify that the within instrument was received for record on the 12th day of April, 19 73, at 11:58 clock A. M., and recorded in book M.73 on page 4328 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. P. Melroe

County Clerk

By *Hazel Dray* 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 _____