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VA Form 26-6825 c (Home Loan) July 1964. Use Optional. Section 1810, Title 38, U.S.C. Acceptable to Federal National Mortgage Association.

Vol. M74 Page 10079 OREGON

TRUST DEED

88-7604

THIS TRUST DEED, made this 16th day of August, 1974, between

----JAMES RICHARD WILLIAM HARMON & CELIA D. HARMON, husband and wife, as GRANTOR,

----TRANSAMERICA TITLE INSURANCE CO.-----, as TRUSTEE,

and ----FIRST NATIONAL BANK OF OREGON-------, as BENEFICIARY.

WITNESSETH: Grantor irrevocably GRANTS, BARGAINS, SELLS, and CONVEYS, to TRUSTEE IN TRUST, WITH POWER OF SALE, the property in Klamath County, Oregon, described as:

The Northerly 54.2 feet of Lot 14 in FAIRACRES, Klamath County, Oregon.

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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, including [illegible] equipment, 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.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of

--THIRTEEN THOUSAND NINE HUNDRED AND NO/100------- Dollars ($ 13,900.00), with interest thereon according to the terms of a promissory note of even date herewith, payable to Beneficiary or order and made by Grantor,

----James Richard William Harmon & Celia D. Harmon----------

the final payment of principal and interest thereof, if not sooner paid, to be due and payable on the first day of July, 2004.

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 (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 credited 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,

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:

[illegible] condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of said property.

[illegible] constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and if the loan secured hereby or [illegible] construction of improvements on said property, Grantor [illegible]

(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 premiums therefor, and to deliver all policies with loss payable to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return or premiums. Any amounts collected under any fire or other insurance policy, may be applied by Beneficiary upon any indebtedness secured hereby and in such order as the Beneficiary may determine, or at option of Beneficiary the entire amount or so much of 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 ordinance 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 [illegible] 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 the purpose of protecting its aforesaid lien hereon, at any time so paid, the Beneficiary hereinbefore described, as well as the Grantor [illegible]

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. [illegible] 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 trustee's 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 do any act as herein provided, then Beneficiary or Trustee, but without any 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 in exercising any such powers, shall pay necessary expenses, employ counsel and pay his reasonable fees.

[illegible] properly expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the principal note, shall be additional indebtedness, and the repayment thereof shall be secured hereby.

[illegible] required of Grantor and of the owner of the property if not Grantor, said note and this Trust Deed shall be held for purchase or insurance under the provisions of Chapter 37, Title 38, United States Code, and regulations pursuant thereto, or any other law which may now or hereafter be in force pertaining to the existence of this Trust Deed.

[illegible]

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 Gran-

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.

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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 condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, 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 restoration of the damaged premises or to the reduction of the indebtedness. Grantor agrees to execute such further assignments 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 [illegible] any other purpose authorized hereunder. Said note or notes shall be secured 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 payments for such period as may be agreed upon by the Beneficiary and Grantor. Failing to agree on the maturity, the whole of the sum or sums so advanced shall be due and payable thirty (30) days after demand by the Beneficiary. In no event shall the maturity extend beyond the ultimate maturity 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 secured 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 secured hereby.

20. [illegible] property under any Land Title Law, Grantor will pay upon demand all sums expended by Trustee or Beneficiary, including reasonable attorney's fees, and forthwith deliver to Bene-

21. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this [illegible] 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 extension agreement or 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 described 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. [illegible] shall be $5.

22. As additional security, Grantor hereby assigns to Beneficiary 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 hereby 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. Upon any default, Grantor shall immediately deliver to Beneficiary all 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, [illegible] Beneficiary shall have the right, with or without taking possession 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 enforcement by Beneficiary of the right, power, and authority to collect the [illegible] subordination of the lien or charge of this Trust Deed to any such tenancy, lease or option.

23. [illegible] 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 operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine.

24. 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 application or non-application of any such sums as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

under, Beneficiary may declare all sums secured hereby immediately 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 person 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 property at the time and place fixed by it in said notice of sale, [illegible] 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 conclusive proof of the truthfulness thereof. Any person, excluding 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. If 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 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 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.

30. (a) The waiver by Trustee or Beneficiary of any default of Grantor under this Trust Deed shall not be or be deemed to be a waiver of any other or subsequent default or demand under the terms hereof.

(b) The pleading of any statute of limitations as a defense 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 given to the Trustee and the Beneficiary or either of them under this instrument, the Trustee and Beneficiary, or either, may bring an action in the proper court for the foreclosure 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 preclude any other power or remedy of Trustee or Beneficiary.

(c) The [illegible] occasions shall not exclude the future exercise thereof from time to time upon the conditions [illegible]

32. If a final decree in [illegible] brought to foreclose this Trust Deed, [illegible] any reasonable attorney fee as provided in the note secured hereby, but [illegible] incurred before judgment.

33. [illegible] hereunder are joint and several. [illegible] mean the owner and holder, including pledgee, of the indebtedness [illegible] whether by operation of law or otherwise. Wherever used, the singular number shall include the plural, the plural the singular, and the masculine, feminine and neuter genders.

34. Trustee accepts this Trust [illegible] 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 [illegible] shall be a party, unless brought by Trustee.

35. If the indebtedness secured by this [illegible] is insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of the parties [illegible] consistent with said Title and Regulations are hereby [illegible] to mean [illegible]

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

James Richard William Harmon [SEAL]
James Richard William Harmon

Celia D. Harmon [SEAL]
Celia D. Harmon

STATE OF OREGON,
COUNTY OF Klamath } ss:

August 16, 19 74.

Personally appeared the above-named James Richard William & Celia D. Harmon and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

[SEAL]

Susan Mecher
Notary Public for the State of Oregon.

My commission expires: 3-8-75

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.

Trust Deed

After recording return to:
Klamath Co. Title Co.
P.O. Box 138
Klamath Falls, Or.