

STATE OF OREGON
FHA FORM NO. 2169t
Rev. April 1971

3362

38-7303
Vol. 75 Page 8862

This form is used in connection with
deeds of trust insured under the one-
to four-family provisions of the
National Housing Act.

DEED OF TRUST

THIS DEED OF TRUST, made this 31 day of July, 19 75,
between JERRY E. LOCKHART AND JACULIN L. LOCKHART, Husband and Wife,
as grantor,
whose address is 4103 Barry Drive Klamath Falls State of Oregon,
(Street and number) (City)
Transamerica Title Insurance Company, as Trustee, and
FIRST NATIONAL BANK OF OREGON, HEADQUARTERS, as Beneficiary

WITNESSETH: That Grantor irrevocably GRANTS, BARGAINS, SELLS and CONVEYS to TRUSTEE IN TRUST, WITH
POWER OF SALE, THE PROPERTY IN Klamath County, State of Oregon, described as:

Lot 1 in Block 11 of Tract No. 1026, THE MEADOWS, Klamath County, Oregon.

Together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining,
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.

TO HAVE AND TO HOLD the same, with the appurtenances, unto Trustee. The above described property does not exceed
three acres.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum
of \$ 23,550.00 with interest thereon according to the terms of a promissory note, dated July 31,
1975, payable to Beneficiary or order and made by Grantor, the final payment of principal and interest thereof, if
not sooner paid, shall be due and payable on the first day of July, 2005.

1. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that
are next due on the note, on the first day of any month prior to maturity: *Provided, however*, That written notice on an intention to
exercise such privilege is given at least thirty (30) days prior to prepayment; and *provided further*, That in the event this debt is paid in
full prior to maturity and at that time it is insured under the provisions of the National Housing Act, all parties liable for the payment
of same, whether principal, surety, guarantor or endorser, agree to be jointly and severally bound to pay to the holder of the note
secured hereby an adjusted premium charge of one per centum (1%) of the original principal amount thereof, except that in no event
shall the adjusted premium exceed the aggregate amount of premium charges which would have been payable if this Deed of Trust and
the note secured hereby had continued to be insured until maturity; such payment to be applied by the holder thereof upon its
obligation to the Secretary of Housing and Urban Development on account of mortgage insurance.

2. Grantor agrees to pay to Beneficiary 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 amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this
instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by
the Secretary of Housing and Urban Development as follows:

(I) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an
amount sufficient to accumulate in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in
order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the
National Housing Act, as amended, and applicable Regulations thereunder; or

(II) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in
lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average
outstanding balance due on the note computed without taking into account delinquencies or prepayments;

(b) A sum, as estimated by the Beneficiary, equal to the ground rents, if any, and the taxes and special assessments next due on
the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other
hazard insurance on the premises covered hereby as may be required by Beneficiary in amounts and in a company or companies
satisfactory to Beneficiary, Grantor agreeing to deliver promptly to Beneficiary all bills and notices therefor, less all sums already paid
therefor divided by the number of months to elapse before 1 month prior to the date when such ground rents, premiums, taxes and
assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and
special assessments, before the same become delinquent; and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note
secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied
by Beneficiary to the following items in the order set forth:

(I) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of
mortgage insurance premium), as the case may be;

(II) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;

3

this Deed, declining to insure said note and this Deed, being deemed conclusive proof of such ineligibility, or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary shall also deposit with Trustee this Deed, the note and all documents evidencing expenditures secured hereby.

21. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Grantor, shall sell said property 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 (but subject to any statutory right of Grantor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at 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. Trustee shall deliver to the purchaser its Deed 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, including Grantor, or Beneficiary, may purchase at the sale. After deducting all costs, fees, and expenses of Trustee and of this trust, including cost of title evidence and reasonable attorney's fees, in connection with sale, Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, with accrued interest at the rate provided on the principal debt; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

22. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and instead of Trustee herein named, and thereupon the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

23. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

24. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made public record as provided by law. 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 Grantor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

25. The term "Deed of Trust," as used herein, shall mean the same as, and be synonymous with, the term "Trust Deed," as used in the laws of Oregon relating to Deeds of Trust and Trust Deeds. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

Jerry E. Lockhart
Jerry E. Lockhart

Signature of Grantor.

Jaculin L. Lockhart
Jaculin L. Lockhart

Signature of Grantor.

STATE OF OREGON
COUNTY OF

ss:

I, the undersigned, A Notary Public
31st day of July

19 75, personally appeared before me
-----Jerry E. Lockhart and Jaculin L. Lockhart, husband and wife-----
to me known to be the individual described in and who executed the within instrument, and acknowledged that
they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes
therein mentioned.

Given under my hand and official seal the day and year last above written.

[Signature]
Notary Public in and for the State of Oregon.

My commission expires 2-3-79

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

To: TRUSTEE.

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated _____, 19 _____

Mail reconveyance to _____

STATE OF OREGON
COUNTY OF

ss:

I hereby certify that this within Deed of Trust was filed in this office for Record on the 31 day of July, A.D. 19 75 at 3:40 o'clock P.M., and was duly recorded in Book _____ of Record of Mortgages of Klamath County, State of Oregon, on page 8862

Wm D Milne

Recorder.

By *[Signature]* Deputy.

9.00

GPO 909-236