

TRUST DEED

THIS TRUST DEED, made this 12th day of September, 1975, between  
EDWARD SILLING and PHYLLIS ANN SILLING, husband and wife

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF Klamath Falls, Oregon, as grantor, William Ganong, Jr., as trustee, 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:

That portion of Lots 3 and 4, Block 1, FAIRVIEW ADDITION to the City of Klamath Falls, Oregon, described as follows: Beginning at a point on the West line of Lot 4, Block 1, Fairview Addition 10 feet North of the Southwest corner of said Lot 4; thence North 50 feet; thence East 65 feet; thence South 50 feet; thence West 65 feet to the point of beginning.

3 17 which said described real property is not currently used for agricultural,  
timber or grazing purposes

which and described real property does not exceed three acres, together with all and singular the appurtenances, hereditaments, rents, issues, profits, water rights and other rights, easements or privileges now or hereafter belonging to, derived from or in anywise appurtenant to the above described premises, and all plumbing, lighting, heating, ventilating, air-conditioning, refrigerating, watering and irrigation 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 each agreement of the grantor herein contained and the payment of the sum of SIXTEEN THOUSAND SIX HUNDRED FIFTY (\$ 16,650.00 ) Dollars, with interest thereon according to the terms AND NO 100 of the 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 \$ 138.88 commencing October 25, 19 75.

Exhibit A is attached hereto and is hereby incorporated and made part of this trust deed as if fully set forth herein.

While the grantor is to pay any and all taxes, assessments and other charges levied or assessed against said property, and any part thereof, before the same begin to bear interest and also to pay the premiums on any insurance policies upon said property, such payments are to be made through the beneficiary, as aforesaid. The grantor hereby authorizes the beneficiary to pay said property in the amounts shown on the statements furnished by the collector of such taxes, assessments or other charges, and to pay the insurance premiums in the amounts shown on the statements submitted by the insurance carriers or their representatives, and to charge said sums to the principal of the property, and to sue on such account, and to receive from the reserve account, if any, established for that purpose, the amount of the same in no event 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. The beneficiary hereby is authorized, in the event of any loss, to compromise and settle with the insurance company and to apply any such insurance receipts upon the obligations secured by this instrument, in computing the amount of the indebtedness for payment and satisfaction 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.

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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 any 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, charges and expenses of this trust, including the cost of title search, as well as the costs and expenses of the trust, and to defend and indemnify the trustee in enforcing this obligation, and trustee's and attorney's fees and costs incurred hereof or the defense of any action or proceeding purporting to affect the security of this deed, and to pay all costs and expenses, including cost of evidence of title and attorney's fees, incurred by the trustee and by the court, in any such action or proceeding in which the beneficiary or the trustee may be involved, and to indemnify the beneficiary to foreclose this deed, and all said sums shall be secured by this 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:

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 commence, prosecute in its own name, appear in or defend any such taking and, if it so elects, to compromise or settlement in connection with such taking; provided, however, that the grantor agrees to reimburse the beneficiary as compensation for such taking, which are in excess of the amount actually received by the beneficiary, less costs, expenses and attorney's fees necessarily paid and applied by the grantor in such proceedings; and the beneficiary shall be obligated to pay the balance applied upon the proceeds of such proceedings, and the grantor agrees, at its own expense, to take such actions and execute such documents as may 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 a note for consideration (in case of full reconveyance, for cancellation), without affecting the liability of the beneficiary to the lender, the lender shall execute and deliver to the beneficiary a new deed of reconveyance, or a deed of assignment, or a deed of assignment and reconveyance, or a deed of assignment and reconveyance and restriction thereon, (c) join in any subordination without warranty, all or any part of the property. The grantee in (d) reconveyance, shall be the person or persons legally entitled thereto, and the deed shall recite the facts of the deed of assignment and reconveyance, and the recitals therein of any matter in dispute between the parties, and the recitals thereof. Trustee's fees for any of the services in this paragraph

3. 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 and all issues, royalties and profits of the property which shall default in the payment of any indebtedness secured hereby. Until such time as the property 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 by beneficiary, the beneficiary shall be liable to the court, and without regard to the adequacy of any said property, or any part thereof, in its own name, upon and take possession of the rents, issues and profits, including those past due and unpaid, and applicable attorney's fees, upon the expenses of operation and collection, including reasonable the beneficiary may determine.

