

1976 between

WITNESSETH:

Lot 610 in Block 119 of HILLS ADDITION TO THE CITY OF KLAMATH FALLS,
Klamath County, Oregon.

which said described real property is not currently used for agricultural purposes.

together with all and singular the appurtenances, tenements, hereditaments, rents, issues, profits, water 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 ventilation, 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 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 \$600.00 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 \$152.-20 commencing March 20th 1987

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 a note or notes secured by the indebtedness secured by this trust deed is evidenced by a note or notes, and in the event the beneficiary receives any money or value upon more than one note, the beneficiary may credit payments received by it upon any said notes or part of any payment on one note and part on another, and 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 ~~will~~ ^{will} 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 and, when due, all taxes, assessments and other charges levied against said property; to keep said premises in good repair; to complete all buildings in course of construction and to complete all improvements in course of construction; to repair and restore hereafter constructed on said premises within said term; to repair and restore hereof or the date construction of same commenced; to repair and improve on property and improvements in like manner any building or improvement on property and improvements thereon which may be damaged or destroyed and put in said property at all costs incurred therefor; 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 or, upon beneficiary's failure to do so, to keep all buildings and improvements now or hereafter constructed on said property in good repair and to commit or cause to be constructed upon said property in good repair and to commit or cause to be constructed upon said premises; to keep said premises continuously insured against loss or hereafter; to defend and hold said premises and the beneficiary harmless from all other hazards as the beneficiary may from time to time require; to pay all taxes, assessments and other charges levied upon said property in a sum not less than the original principal of said note and any interest thereon in the sum thus due; to maintain the original policy of insurance in correct form and with the original beneficiary named as insured; to cause to be obtained and to pay approved loss payable clause in favor of the beneficiary; to cause the beneficiary at least premium paid, to the principal of any such policy of insurance. If fifteen days after the date of the expiration of the term of any such policy of insurance is not so tendered, the beneficiary shall have the right to cause to be obtained and to pay approved loss payable clause in favor of the beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus obtained.

Obtained. That for the purpose of providing regularly for the prompt payment of all taxes, assessments, and governmental charges levied or assessed against the above described property, the principal and interest on the mortgage secured hereby is in excess of 80% of the principal and insurance premiums while the indebtedness secured hereby is in excess of 80% of the principal and insurance premiums, the original purchase price paid by the grantor at the time the loan was made, the beneficiary's original appraisal value of the property, and the monthly payments made or the beneficiary's will pay to the beneficiary on the terms of the note or obligation secured hereby, principal and interest on the mortgage secured hereby shall be paid to the beneficiary on the terms of the taxes, assessments, and other charges due and payable with respect to said property within each succeeding 12 months and on each succeeding three years while this Trust Deed is in effect, to said promisor and directed by the beneficiary. Beneficiary shall pay to the grantor the interest on said amounts at a rate not less than the higher of 6% or the prime rate as published by banks on their open passbook accounts. If the rate is less than 6%, the rate of interest shall be 4%. Interest shall be computed on the average monthly balance to the account and shall be paid quarterly to the grantor by crediting the account with the amount of the interest due.

[illegible]

acquisition of the property by the beneficiary after default, any balance remaining in the reserve account shall be credited to the indebtedness. If any authorized 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 for 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 not be a charge against the trust. The principal of the trust shall be payable for shall not bear interest at the rate specified in the note, shall be repayable to the grantor on demand and shall be secured by the lien of this trust deed. If the grantor dies, the beneficiary shall have the right in its discretion to complete the construction of the premises, to make any improvements, to make any improvements made on said premises and also to make such repairs as shall be necessary to maintain the premises in good condition. The beneficiary shall have the right to sell the 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 and including the cost of title search, as well as costs and expenses of and including the cost of title insurance, actually incurred in enforcing this obligation, and trustee's and attorney's fees actually incurred to appear in and defend any action or suit brought or to be brought to enforce the security hereof or to defend the title of the beneficiary or trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in any action or suit brought to enforce this obligation, and to pay a reasonable sum to be fixed by the court, in any such action or suit brought by the beneficiary or trustee made a part and included in any suit brought by beneficiary to foreclose this deed, and all said sums shall be secured by this trust which to foreclose this deed, and all said sums shall be secured by this trust

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 commence, prosecute, defend, sue in his own name, appear in or defend any action or proceeding, 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's worth of such taking and, if it so elects, to require that all or any portion of the money's worth of such taking, which are in excess of the amount actually payable as compensation for such taking, which are in excess of the amount actually paid to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by him in such proceedings, shall be paid to the beneficiary or beneficiaries; and he shall be entitled to recover from the grantor or grantors, balance applied upon the indebtedness created by him or them, the amount of the fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance applied upon the indebtedness created by him or them, the grantor agrees, at its own expense, to take costs, expenses 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 cancellation, the trustee may (a) release the beneficiary from its obligation to pay the principal and interest on the note, (b) join in granting a release of the property to the beneficiary, (c) execute a deed conveying the property to the beneficiary, and (d) consent to the making of any map or plat of said property, in any subdivision or other agreement, in which deed or the lien or charge hereof; (e) reconvey, or otherwise agree to reconvey, the property to the beneficiary, with or without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled to the property." The trustee shall execute and deliver the deed and the receipts thereon and the release or other facts constituting conclusive proof of the reconveyance. Trustee's fees for all of the services in this paragraph shall be \$5.00.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of the trust estate, rents, issues, royalties and profits of the property located in this deed and of any personal property located therein. Until the said property is sold, the said rents, issues, royalties and profits of the said property shall default in the payment of any indebtedness secured hereby. If the said property is sold, the said rents, issues, royalties and profits shall default in the performance of any agreement hereunder and the profits earned prior to default as they accrue shall be 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 sheriff, enter upon the said premises and take possession of the said property, or any part thereof, in its own name sue for or otherwise collect the said rents, issues and profits, including those past due, and may apply the same, less of any reasonable expenses of operation and collection, including reasonable 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 \$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 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 in 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.

William M. Ganong (SEAL)
(SEAL)

STATE OF OREGON } ss.
County of Klamath }

THIS IS TO CERTIFY that on this 28th day of JANUARY, 19 76, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named

William M. Ganong, named in and who executed the foregoing instrument and acknowledged to me that he 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.

Donald V. Brown
Notary Public for Oregon
My commission expires: 11-12-78

(SEAL)

Loan No.	STATE OF OREGON } ss. County of Klamath }
TRUST DEED	I certify that the within instrument was received for record on the <u>29th</u> day of <u>JANUARY</u> , 19 <u>76</u> , at <u>10:52</u> o'clock <u>A</u> . M., and recorded in book <u>1176</u> on page <u>1368</u> . Record of Mortgages of said County.
TO GRANTOR FIRST FEDERAL SAVINGS & LOAN ASSOCIATION	Witness my hand and seal of County affixed.
BENEFICIARY	<i>W. D. Fiske</i> County Clerk <i>B. Hazel Dugan</i> Deputy
After Recording Return To: FIRST FEDERAL SAVINGS 540 Main St. Klamath Falls, Oregon	FILE \$ 6.00

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 _____