

THIS TRUST DEED, made this 23rd day of August  
FRANK C. PENNER AND GLADYS A. PENNER, Husband and Wife

FRANK C. PENNER AND GLADYS A. PENNER, Husband and Wife, as grantor, William Ganong, Jr., as trustee, and 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:

The W<sup>1</sup>/<sub>2</sub> of Lot 15 in Block 2 of BRYANT TRACTS # 2, Klamath County, Oregon.

75 111 30 21 3 43

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

which said described real property is not currently used for agricultural, timber or grazing 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, ventilating, air-conditioning, refrigerating, watering and irrigation apparatus, equipment and fixtures, together with all awnings, venetian blinds, floor covering in place such as well-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 FIFTEEN THOUSAND AND NO (\$15,000.00) 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 \$ 120.78 commencing

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. 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 any part of any payment on one note and part on another, and 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.

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The grantor covenants and agrees to pay said note according to the terms thereof and when due, all taxes, assessments and other charges having pre-said priority; to keep said property free from all encumbrances having pre-said precedence over this trust deed; to complete all buildings within six months from the date of hereafter construction is hereafter commenced; to repair and improve on the hereafter destroyed or damaged property and to pay, when due, all said property which may be damaged by the beneficiary to inspect said property at all costs incurred herefor; to replace any work or materials unsatisfactory to the beneficiary within fifteen days after written notice of the beneficiary of such fact; not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter constructed on said premises in good repair and to commit repairs and improvements to the benefit of said premises; to keep all buildings, property and improvements insured against loss now or hereafter erected on said premises by the beneficiary may from time to time require, by fire or such other insurance as the beneficiary may from time to time require, in a sum not less than the full value of the property and improvements insured by the beneficiary, by this trust deed, in a company or companies approved by the beneficiary, and to deliver the original policy of the beneficiary attached and with approved loss payable to the principal place of business of the beneficiary at least ten days prior to the effective date of any such policy; that the beneficiary may in its own said policy of insurance is not no tendered; that the beneficiary, which insurance discretion obtain insurance full benefit of the beneficiary, which insurance shall be non-cancellable by the grantor during the full term of the policy thus

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 insurance premium while the indebtedness secured hereby is in excess of 80% of the lesser of the original purchase price paid by the grantor at the time the loan was made or the beneficiary's original appraisal value of the property at the time the loan was made, grantor will pay to the beneficiary in addition to the monthly payments of principal and interest payable under the terms of the note or obligation secured hereby the amount of the insurance premium payable under the terms of said property policy, taxes, assessments, and other charges due and payable with such property within each succeeding 12 months and also 1/36 of the insurance premium payable within each succeeding three years. Beneficiary shall pay to the grantor effect as estimated and directed by the grantor the highest rate authorized to be paid interest on said amounts at a rate not less than the highest rate authorized to be paid by banks on their open passbook accounts minus 8/4 of 1%. If such rate is less than the rate of interest paid shall be 4%. Interest shall be computed on the current monthly balances in the account and shall be paid quarterly to the grantor by certifying in the foregoing account 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 payments, the beneficiary may, at his option, advance the amount of such 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 Indebtedness, 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 the event the grantor fails to carry out the foregoing covenants, it is hereby agreed that 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 taxes, assessments, conditions and restrictions affecting said property; to pay all taxes, assessments, fees and expenses of this trust, including the cost of title search, as well as the other costs of this obligation, and trustee's and attorney's fees actually incurred by the trustee in connection with the performance of his duties, to appear in and defend any action or proceeding brought against the beneficiary or trustee, and to pay all title hereof or the right to sell same, including cost of evidence of title and attorney's fees in any such expense, to execute and deliver any deed, mortgage or instrument required to carry out the reasonable sum to be fixed by the court, in any such action or proceeding, and to cause the beneficiary 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 in its own name, appear in or defend any action or proceedings, or take such compromise or settlement in connection with such taking and any such costs, expenses and attorney's fees as may be payable as compensation for such taking, which are in excess of the amount recoverable by the beneficiary from the condemning authority, if necessarily paid, shall be paid to the beneficiary.

2. If any reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary and applied by him upon 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 his own expense, to take such actions 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 preservation of this deed and the note for enforcement, in case of failure to recoverance, for cancellation), without affecting the disbursement, in cash or kind, recoveryance, for cancellation), the trustee may (8) release any person for the payment of the indebtedness; (9) join in granting consent to the making of any map or plat of said property; (c) join in any subordination any easement or creating any lien hereon; (d) join in any foreclosure sale; (e) reconvey, or other agreement relating to the title of the property; (f) execute all documents and instruments which are required by law to carry out the purposes of this trust; and new may be described as the person or persons who shall be conclusive proof of the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services in this paragraph \$0.00.

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 personal property located thereon. Until grantor shall default in the payment of any such indebtedness secured hereby or 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 accrue and pay same. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by attorney, enter upon the premises, take possession of the property and of any other property to be appointed by a court, and without regard to the adequacy of security for the indebtedness hereunder, in its own name sue for and otherwise collect and property, or any part thereof, including those past due and unpaid, and apply the rents, issues, royalties and profits so secured, and collection, including reasonable attorney's fees, upon 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 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 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.

CALIFORNIA

STATE OF OREGON } ss.  
County of Klamath }  
KERN

THIS IS TO CERTIFY that on this 25th day of August, 1976, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named

FRANK C. PENNER AND GLADYS A. PENNER, husband and wife

to me personally known to be the identical individual<sup>s</sup> 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.

(SEAL)



OFFICIAL SEAL  
ALICE A. ANNIN  
NOTARY PUBLIC-CALIFORNIA  
KERN COUNTY  
My Commission Expires June 23, 1977

Alice A. Annin  
Notary Public for Oregon KERN  
My commission expires:

Loan No. \_\_\_\_\_

## TRUST DEED

TO  
FIRST FEDERAL SAVINGS &  
LOAN ASSOCIATION  
Beneficiary

After Recording Return To:  
FIRST FEDERAL SAVINGS  
540 Main St.  
Klamath Falls, Oregon

(DON'T USE THIS  
SPACE) RESERVED  
FOR RECORDING  
LABEL IN COUNT-  
IES WHERE  
USED.)

FEE \$ 6.00

STATE OF OREGON } ss.  
County of Klamath }

I certify that the within instrument was received for record on the 30th day of AUGUST, 1976, at 3:43 o'clock P.M., and recorded in book M. 76 on page 13546 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE County Clerk  
By Hazel Drayle 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

DATED: \_\_\_\_\_, 19\_\_\_\_

by \_\_\_\_\_