

THIS TRUST DEED, made this 5th day of January 1977, between
PAN FUNG AND KWOK MET CHOW FUNG, 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:

Lot 3 of SCHIESEL TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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 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 **27,200.00** Dollars, with interest thereon commencing the day of its maturity, to wit: **SEVENTY SEVEN THOUSAND & NO HUNDRED AND NO/100**

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 part of any payment on one note and part on another, as 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 shall warrant and defend his said title therein against the claims of all persons whatsoever.

[illegible]

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 and insurances premium with the indebtedness secured hereby is in excess of 50% of the lesser of the original principal 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 on the rate installment of principal and interest, and payable an amount equal to 1/12 of the above amount, together with other charges due and payable with respect to said property within each succeeding 12 months, or other shorter period, commencing at the time with respect to said property within each succeeding three years while this Trust deed is in effect, as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor interest on said amounts at a rate not less than the highest rate authorized to be paid by banks in their open account accounts minus 3/4 of 1%. If such rate is less than 6% the rate of interest paid shall be 4%. Interest shall be computed on the average monthly balance in the account and shall be paid quarterly to the grantor by crediting to the escrow account the amount of the interest due.

While the grantor(s) to pay any and all taxes, assessments and other charges levied or assessed against said property or any part thereof, have the same begin to bear interest and also to pay premiums on all insurance policies upon the said property, the same to be made through the beneficiary, nor does the Grantor heretofore authorize the beneficiary to pay any and all taxes, assessments and other charges levied or imposed against said property in the amounts as shown by the statements heretofore furnished by the collector of such taxes, assessments and other charges, and to pay the insurance premiums in the amounts shown on the policies of such insurance companies, nor does the Grantor represent and to withdraw the same which has been required for such purposes, nor if any established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance written for any loss or damage growing out of a defect in any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to compromise and settle with any insurance company and to apply any amount of such settlement to the obligations secured by this trust deed. In computing the amount of the undersigned's payment and satisfaction in full as upon sale or other

acquisition of the property by the beneficiary after default, any balances 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 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.

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 this 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 and expenses of this trust, including the cost of title search, as well as the cost of recording this instrument, and to pay all reasonable expenses incurred in enforcing this obligation, and trustee's and attorney's fees actually incurred to appear in and defend any action or proceeding purporting to affect the security of this deed, and to pay all costs and expenses of this trust, including the costs and expenses incurred to be fixed by the court, in any such action or proceeding in which the trustee or attorney is required to appear, and to pay all costs and expenses 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:

under the right of eminent domain or condemnation, the beneficiary shall have the right to commence, prosecute, in its own name, any suit, action or proceedings, or to make any compromise or settlement in connection with such thing and, if it so elects, to require that all or any portion of the money paid in compensation for such taking, which are in excess of the amount required to pay all 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 it first upon any reasonable costs and expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings, and then the balance applied upon the indebtedness incurred hereby; and the grantor agrees at its cost to execute and record 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 endorsement (in case of full reconveyance, for cancellation), without affecting the validity of the current for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat of said property or of any part thereof, any extension or increasing and restriction thereon, (c) join in any subdivision of any other agreement affecting this deed or the lien or charge hereof, (d) reconvey to the grantor or his heirs, assigns or assigns, the property, the grantee in any reconveyance may be described as the purchaser of the property, and (e) execute the powers 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 shall be \$5.00.

[illegible]

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 purchase 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 proprietary 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 sale of the property, 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.

9. The trustee shall, at the time fixed by the preceding postponement, the trustee shall deliver to the purchaser the deed in form as required by law, conveying the property so sold, but without any covenants or warranties, express or implied, and returns 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.

10. When the trustee sells pursuant to the powers provided herein, the trustee shall apply the proceeds of the sale of the property 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 used 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.

11. 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. 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.

12. Trustee accepts this trust when this deed, duly executed and acknowledged to be 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.

13. 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.

Pan Fung (SEAL)
Knock Mei Chow Fung (SEAL)

STATE OF OREGON
County of Klamath } ss.

THIS IS TO CERTIFY that on this 5th day of JANUARY, 1977, before me, the undersigned, a

Notary Public in and for said county and state, personally appeared the within named PAN FUNG and KNOCK MEI CHOW FUNG, Husband and Wife

to me personally known to be the identical individual 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.

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

Loan No.

TRUST DEED

TO Grantor
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 COUN-
TIES WHERE
USED.)

STATE OF OREGON } ss.
County of Klamath }

I certify that the within instrument was received for record on the 6th day of JANUARY, 1977, at 10:27 o'clock AM., and recorded in book M 74 on page 280 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE

County Clerk

Deputy

FEES \$ 6.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Gernag, 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 evidence 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 12

by _____