

THIS TRUST DEED, made this 11th day of February 1977 between JOANNE B. AZEVEDO, a single woman

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 10 in Block 42 of FIRST ADDITION TO THE CITY OF KLAMATH FALLS, 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 sowings, 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 **EIGHTEEN THOUSAND DOLLARS AND \$6/100 (\$18,000.00)** 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 \$141.66 commencing March 20, 1977.

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 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 property free from all encumbrances having precedence over this trust deed, to complete all buildings in course of construction or hereafter constructed on said premises within six months from the date hereof or the date construction is hereafter commenced; to repair, and restore property and in good workmanlike manner, any building or improvement on said property which may be damaged or destroyed and pay, when due, all costs incurred therefore; 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 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 erected upon said property in good repair and to commit or suffer no waste of said premises; to keep all buildings, property and improvements now or hereafter erected upon said premises continuously insured against loss by fire or other risks hazards as the beneficiary may from time to time require, in a sum not less than the original principal sum of its note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver this original policy of insurance in correct form and with appropriate loss payable clause in favor of the beneficiary attached and with premium paid to the principal place of business of the beneficiary at least fifteen days prior to the effective date of any such policy of insurance. If said policy of insurance is not so tendered, the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus obtained.

That for the purpose of providing regularly for the prompt payment of all taxes, assessments and other charges levied or assessed against the above described property and insurance premium, while the indebtedness secured hereby is in excess of 50% of the lesser of the original purchase price paid by the grantor at the time the loan was made or the beneficiary's original appraised value of the property at the time the loan was made, the grantor will pay to the beneficiary or assignee, the monthly payments of principal and interest thereon, the term of the loan or obligation secured, both on the date, installment on principal and interest, as payable on a monthly basis, 1/12 of the taxes, assessments and other charges levied or assessed against said property within each succeeding 12 months and also 1/12 of the insurance premium payable with respect to said property within each succeeding three years while the trust deed is in effect; and said sums directed by the beneficiary, beneficiary shall pay to the grantor interest on said sums at a rate not less than the rate in effect at the time the loan was made, but not more than 6 3/4% of 1%; if such rate is less than 6 3/4%, the rate of interest shall be 6 3/4%. Interest shall be computed on the average monthly balance in the account and shall be paid quarterly to the grantor by crediting to the account the amount of the interest due.

While the grantor is to pay any and all taxes, assessments and other charges levied or assessed against said property, or any part thereof, before the same begin to bear interest and also to pay premiums on all insurance policies upon said property, each payment is to be made through the beneficiary or assignee. The grantor hereby authorizes the beneficiary to pay any and all taxes, assessments and other charges levied or assessed against said property in the amounts set forth in 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 carrier or their representatives and to withdraw the same when they are required from the reserve account, if so established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance written or for any loss or damage growing out of any loss, to compromise or settle with any insurance company and to apply any such insurance receipts upon the obligations secured by this trust deed. 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 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, fees and expenses of this trust, including the cost of title search, as well as the other costs and expenses of the trustee, incurred in connection with or 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 hereof or the rights or powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and in any suit brought by beneficiary to foreclose this deed; and all said sums shall be secured by this trust deed.

The beneficiary will furnish to the grantor or 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:

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 proceedings in its own name, appear in or defend any action or proceedings, or 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 payable as 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 the balance applied upon the indebtedness secured hereby; and the grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the beneficiary's request.

1. 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 (to ease of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness secured hereby or its consent to the making of any map or plat of said property; (b) join in granting any easement or creating and reserving any easement; (c) join in any subdivision or other agreement affecting this deed or the lien or charge hereof; (d) recover without warranty, all or any part of the property. The grantee in any recovery shall be described as the person or persons legally entitled thereto, and the recitals thereof of any matter or fact shall be conclusive proof of the truthfulness thereof. Trustee's fee for any of the services in said paragraph shall be \$5.00.

2. An additional security grantor hereby assigns to beneficiary during the continuance of this trust deed, rents, issues, royalties and profits of the property affected by this deed and of any personal property located thereon. Grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, grantor shall have the right to notice all such rents, issues, royalties and profits earned prior to default as they become due and payable. Grantor may, at any time, by deed or otherwise, assign to beneficiary any at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name and for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and 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, policy or policies, or awards for any taking or damage of the property, and the application of same hereunder, 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 designated 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 apply the proceeds of the trustee's sale as follows: (1) In the payment of the debt including the expenses 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 date of the trustee's sale 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, and binds 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.

Joanne B. Azevedo (SEAL)
(SEAL)

STATE OF OREGON
County of Klamath

THIS IS TO CERTIFY that on this 11th day of February, 1977, before me, the undersigned, a

Notary Public in and for said county and state, personally appeared the within named

JOANNE B. AZEVEDO, a single woman

to me personally known to be the identical individual named in and who executed the foregoing instrument and acknowledged to me that she 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.

NOTARY PUBLIC
STATE OF OREGON

Lois Owens
Notary Public for Oregon
My commission expires: 5-14-80

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 COUNTY WHERE USED

FEE \$ 6.00

STATE OF OREGON
County of Klamath

I certify that the within instrument was received for record on the 17th day of FEBRUARY, 1977 at 11:10 o'clock A. M. and recorded in book M-77 on page 2872 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE
County Clerk
By: [Signature] Deputy

REQUEST FOR FULL RECONVEYANCE
To be used only when obligations have been paid.

TO: William Goring, 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: 11th day of February, 1977 at Klamath Falls, Oregon

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