

THIS TRUST DEED, made this 16th day of February 1977, between RALPH EMERSON EDWARDS AND ALICE LOUISE EDWARDS, Husband and Wife

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:

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Lot 40 of VILLA ST. CLAIR, 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 **TEN THOUSAND AND NO/100-\$10,000.00** 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 **\$82.25**, commencing March 20 1977.

This trust deed shall further secure the payment of such additional money, if any, as may be due 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 shall 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 he 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 hereof or the date construction is hereafter commenced; to repair and restore promptly 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 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 of such fact; 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 or buildings, property and improvements now or hereafter erected on said premises continuously insured against loss, by fire or such other hazards as the beneficiary may from time to time require, in a sum not less than the original principal amount and the obligation secured by this trust deed, in a company or companies acceptable to the beneficiary and to deliver the original policy of insurance in correct form and with appropriate for payable clause in favor of the beneficiary attached and with premium paid in 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 delivered, the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-cancellable 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 and governmental charges levied or assessed against the above described property and insurance premiums on 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 principal amount 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 date Instalments on principal and interest are payable and amounts equal to 1/12 of the taxes, assessments, and other charges due and payable with respect to said property to each succeeding 12 months and also 1/30 of the insurance premiums payable with respect to said property within each succeeding three years while this Trust Deed is in effect and maintained 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 on their open checking accounts minus 3/4 of 1%. If such rate is less than 1%, the rate of interest paid shall be 1%. 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 is to pay any and all taxes, assessments and other charges levied or assessed against said property, or any part thereof, before the same accrue to bear interest and also to pay premiums on all insurance policies upon said property, such payments are to be made through the beneficiary, as aforesaid. The grantor hereby authorizes 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 thereto 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 withdraw the sums which may be required from the reserve account, if any, established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance written out for any loss or damage growing out of a defect in any insurance policy, and the beneficiary hereby is authorized, in computing the amount of the indebtedness received upon the obligations secured by this trust deed, to apply any such insurance received 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 by itself to pay the amount 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 the 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, suit 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 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 action or proceeding, or to make any compromise or settlement in connection with such taking and, if it so elects, to require that all amounts received by the grantor as compensation for such taking, which are in excess of the amount required to pay 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 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.

2. At any time and from time to time upon written request of the beneficiary, payment of its fees and presentation of the note and the note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) make the making of any map or plat of said property; (b) join in any grant or other agreement of creating and restricting thereon; (c) join in any subdivision without warranty, all in any part of the property. The grantee in any reconstruction, or the rectals 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.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts, rents, issues, royalties and profits of the property affected by this deed and any personal property located thereon, until the performance of any agreement hereinabove set forth, the 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 the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of any said property, or any part thereof, in its own name sue 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.

RECORDED  
MAY 22 1977  
Klamath County Clerk

4. The entering upon and taking possession of said property, the collection of rents, issues and profits from the proceeds of fire and other insurance policies or assignments made for the repair or damage of the property, and the application or release thereof, as aforesaid, shall not entitle either any fault 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 the 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 to the trustee or written notice of default and election to sell the trust property, which notice trustee shall cause to be given to the grantor, and if no such notice, default and election to sell, the beneficiary shall do so with the trustee this trust deed shall then be null and void and documents evidencing expenditures secured hereby, whereupon the trustees 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 due under this trust deed and discharge 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 in one or in separate parcels, and in such order as he may determine, at public auction to the highest bidder for cash, 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 an-

nouncement 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 as sold, with all rights, title, interest, warranty, express or implied. The trustee 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 any person having a recorded lien subsequent to the interests of the trustee in the trust deed in 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 successor or successors to any trustee named herein, or to any successor trustee appointed hereunder. Upon such appointment and without contradiction, the trustee so appointed shall be succeeded in title, powers and duties conferred upon any trustee herein named or succeeded herein. 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 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 spouse, of the note secured hereby, whether or not named as a beneficiary hereon. In construing this deed, 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.

*Ralph Emerson Edwards* (SEAL)  
*Alice Louise Edwards* (SEAL)

STATE OF OREGON } ss.  
County of Klamath }

THIS IS TO CERTIFY that on this \_\_\_\_\_ day of February, 19 77, before me, the undersigned, a Notary Public in and for said county and state, personally appeared RALPH EMERSON EDWARDS AND ALICE LOUISE EDWARDS

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

TO 1944 CA (8-74)	(SEA)	(Individual)
STATE OF CALIFORNIA	COUNTY OF Los Angeles	On Feb 23, 1979
Lo	before me, the undersigned, a Notary Public in and for said	
State, personally appeared	<i>Ralph Emerson Edwards and Alice Louise Edwards</i>	
STAPLE HERE	known to me	
	to be the person whose name is subscribed	
	to the within instrument and acknowledged that they	
	executed the same.	
	WITNESS my hand and official seal	
	Signature <i>[Signature]</i>	
	Klamath Falls, Oregon	
	(This area for official notarial seal)	
	Deputy	

TITLE INSURANCE  
AND TRUST  
ATLICOR COMPANY

OFFICIAL SEAL  
DIANN DOVE  
NOTARY PUBLIC - CALIFORNIA  
LOS ANGELES COUNTY  
My com. expires SEP 13, 1980

STATE OF OREGON; COUNTY OF KLAMATH; ss.

I hereby certify that the within instrument was received and filed for record on the 1st day of MARCH A.D. 1977 at 11:58 o'clock A.M., and duly recorded in Vol M 77, of MORTGAGES on Page 3579.

FEE 9 6.00

WM. D. MILNE, County Clerk

By *[Signature]* Deputy

DATED: 18

*Ruth M. T. C. [Signature]*