

THIS TRUST DEED, made this 13th day of May 1977, between  
LINWOOD THOMAS and SHEILA J. THOMAS, 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:

A parcel of land situate in the SE $\frac{1}{4}$  of Section 9, Township 39 South Range 10 East of the Willamette Meridian, more particularly described as follows:

Commencing at the Northeast corner of the SE $\frac{1}{4}$  of Section 9, Township 39 S., Range 10 East of the Willamette Meridian; thence North 89°55' West along the centerline of Mallory Drive, 494.72 feet; thence leaving the centerline of said Mallory Drive, South 00°08' West 318.58 feet to the true point of beginning of this description; thence continuing South 00°08' West 289.20 feet; thence North 89°52' West 167.09 feet; thence North 00°08' East 288.82 feet; thence East 167.90 feet to the point of beginning.

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 HUNDRED AND NO/100 (\$ 17,600.00) 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 \$ 222.99 commencing June 25 19 77.

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 its face thereon and, when due, all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances having pre- said property; to complete all buildings in course of construction existing on 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 insure said property promptly and in good manner against fire, lightning, windstorm and other risks; to cause said property to be repaired, reconstructed, replaced and restored, at the cost incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or material used defective on said property within fifteen days after written notice of beneficiary of such defect; not to reconstruct or alter, 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 insure said property against fire and other hazards against loss and improvements; to indemnify and hold beneficiary harmless from and against all claims, damages, losses, expenses, costs and charges of whatever nature and kind which may be incurred by beneficiary by reason of fire or other such hazards as the beneficiary may from time to time require, to pay to beneficiary the sum of \$100,000.00 (one hundred thousand dollars) in a sum not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to cause a 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 insurance; to cause said policy of insurance to be obtained, and the beneficiary may in its own behalf 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 security for the obligations hereinafter to be assessed against the above described property and insurance premiums which 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 notes hereinbefore made, an amount equal to 1/12 of the taxes, assessments, and other charges due and payable with respect to said property within each succeeding 12 months and also 1/36 of the insurance premium payable 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 on their open passbook accounts minus 3/4 of 1%. If the interest rate is less than 4%, 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 is to pay any and all taxes, assessments, and interest on said property, the grantor agrees to pay any and all insurance premiums on said property, such pay interest and also to pay premiums on any part thereof, before the same begin to bear interest and also to pay the beneficiary, as aforesaid. The grantor hereby authorizes the beneficiary to make any and all payments, such as interest, taxes, assessments, and other charges levied or imposed against said property in the amounts as shown by the statements of 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 with respect to said property, and the grantor is authorized, in the event of a defect in any insurance with respect to said property, to cause the beneficiary hereby is authorized, in the event of a defect in any insurance with respect to said property, to cause the beneficiary to purchase and settle with any first class 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

Should the grantor fail to keep any of the foregoing covenants, the beneficiary may at its option carry out the same, and all its expenditures therefor shall draw interest at the rate specified in the deed of this trust deed. In 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, including the cost of title search, as well as

fees and expenses of this trust, including the cost of title searches and the cost of 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; 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 thereof 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 fees 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, to furnish

It is mutually agreed that:

1. In the event that any portion or all of said proceeds 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 to make any compromise or settlement in connection therewith, such taking and, if it so elects, to require that all or a portion of the money's share takings and, if it so elects, to require that all or a portion of the money's share takings, which are in excess of the amount of the money's share required to pay all reasonable costs, expenses and attorney's fees necessarily paid by the beneficiary in connection with such taking, shall be paid to the beneficiary 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 incurred by the beneficiary in such proceedings, and the fees necessarily paid or incurred by the beneficiary in such proceedings; and the grantor agrees, and the trustee agrees, 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 this deed and the note for endorsement (in case of full redemption) or payment of the Indebtedness, the trustee may (a) release the property from its lien, (b) release the property from its lien, (c) join in granting any easement or creating any restriction thereon, (d) join in any subordination or other agreement affecting this deed or the property. The grantee in any reconveyance shall be described as the "person or persons legally entitled thereto" and the recitals thereof 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 term of the Indebtedness all of the right, title and interest of the grantor

8776

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 person's 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.

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.

*Linwood Thomas* (SEAL)  
*Shella J. Thomas* (SEAL)

STATE OF OREGON }  
 County of Klamath } ss.

THIS IS TO CERTIFY that on this 13 day of May, 1977, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named LINWOOD THOMAS and SHELLA J. THOMAS, husband and wife to me personally known to be the identical individual(s) 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 Bent Hamilton*  
 Notary Public for Oregon  
 My commission expires: MARCH 20, 1981

Loan No. _____		STATE OF OREGON } County of Klamath } ss.	
<b>TRUST DEED</b>		I certify that the within instrument was received for record on the 19th day of <u>May</u> , 19 <u>77</u> , at <u>2:47</u> o'clock <u>P.</u> M., and recorded in book <u>M77</u> on page <u>8775</u> . Record of Mortgages of said County.	
TO Grantor <b>FIRST FEDERAL SAVINGS &amp; LOAN ASSOCIATION</b> Beneficiary After Recording Return To: <b>FIRST FEDERAL SAVINGS</b> 540 Main St. Klamath Falls, Oregon			
(DON'T USE THIS SPACE; RESERVED FOR RECORDING LABEL IN COUNTIES WHERE USED.)		Witness my hand and seal of County affixed. <u>WM. D. MILNE</u> County Clerk By <i>Hazel Inazie</i> Deputy	
FEE \$ 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

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