

between

as grantor, William ~~W. W.~~ Jr., as trustee, and
 Clack, Oregon, a corporation organized and existing

WITNESSETH:

Lots 17 and 18 in Block 28 SECOND 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 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 the performance of each agreement of the grantor herein contained and the payment of the sum of Twenty Three Thousand and No/100 (\$23,300.00) 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 \$ 192.23 commencing on the 1st day of July 1977, after default, any balance remaining in the

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 at any time 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, the sum of this trust deed, for so long as the same shall be secured by the lien of this trust deed. In the event of default by the grantor on demand and shall be secured by the lien of this trust deed, the beneficiary shall have the right in its discretion to complete the connection, the beneficiary shall also 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 and attorney's fees actually incurred; and in securing this obligation, and trustee's or attorney's fees to affect the trust to appear in and defend any action or proceeding purporting to affect the trust or any interest hereof or the rights of the beneficiary or trustee; and may all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable suit the beneficiary or trustee may appear in or any suit brought by beneficiary to foreclose this deed, and all said sums shall be secured by this trust deed.

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, defend or prosecute in its own name, appear in or defend any action or proceedings, to make any compromise or settlement of the money's sale or proceeds, if it so elects, to require that all of its portion of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in any reasonable costs and expenses and attorney's fees and applied by the grantor in such proceedings, shall be paid to the beneficiary and applied by the beneficiary in such proceedings, and the grantor agrees, balance applied upon the indebtedness secured hereby 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 the fees and presentation of this deed and the note for encumbrance (less cost of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) join in the making of any map or plat of said property; (b) join in any subdivision or partition of the property; (c) join in any release, release of lien or reconveyance or any easement or creating or restriction thereon; (d) reconvey to the grantor or any agreement affecting in any part of the property. The grantor in this deed and without warranty, is hereby releasing and waiving all claims, demands, rights and interests in and to the property and the rights therein as the "person or persons legally entitled thereto" and once may be 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.

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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 these deed and of any personal property located thereon. Until party affected by default in the payment of any indebtedness secured hereby or in grantor's 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 become due and pay same without notice, either in person, by agent or by a receiver may at any time without notice, either in person, by agent or by a receiver appointed by a court, and without entering upon and take possession of the property securing the indebtedness hereby created. Grantor agrees to apply 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, including reasonable attorney's fees, 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.

That "or 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 insurance premiums 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 on 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 such 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 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, 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 of the insurance carrier or collector of such taxes, assessments or other charges, and to pay the insurance premiums on 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 or for any loss or damage resulting from 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 compute the such insurance receipts upon the obligations secured by this trust deed or upon sale or other amount of the indebtedness for payment and satisfaction in full or upon sale or other

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 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.

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.

Charles B. Leib Jr. (SEAL)

Kathy M. Powell (SEAL)

STATE OF OREGON }
County of Klamath }

ss.

THIS IS TO CERTIFY that on this 14 day of JUNE, 1977, before me, the undersigned, a

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

CHARLES B. LEIB, JR. AND KATHY M. POWELL

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.

(SEAL)

Notary Public for Oregon

My commission expires: 5-14-80

Loan No. _____

TRUST DEED

Grantor

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 COUNTIES
WHERE
USED.)

FEE \$ 6.00

STATE OF OREGON }
County of Klamath }

ss.

I certify that the within instrument was received for record on the 15th day of JUNE, 1977, at 11:27 o'clock AM., and recorded in book M77 on page 10468 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE

County Clerk

By

Hazel Dravitz

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

by

DATED: _____, 19____