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ROGER W. SCHOOLER AND CHERYL ANN SCHOOLER, Husband and Wife

WITNESSETH

Lot 3 in Block 1 of Tract No. 1116, SUNSET EAST,
Klamath County, Oregon

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 **SIXTY-THREE THOUSAND, EIGHT HUNDRED AND NO/100 (\$ 63,800.00)** Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary of order and made by the grantor, principal and interest being payable in monthly installments of \$ 515.05 commencing

acquisition of the property by the beneficiary after default, any balance remaining in the reserve account shall be credited to the indebtedness. If any authorised 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 his option, and the amount of the whole debt due.

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, and shall be secured by the first mortgage on the premises in this connection, the beneficiary shall have the right in its discretion to complete

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 said suit, including the cost of title search, as well as all the other costs and expenses of said suit, and to defend said suit and to pay 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 the costs and expenses of said suit, including the cost of title search, as well as all the other costs and expenses of said suit, and to defend said suit and to pay 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.

The beneficiary will furnish to the grantor on written request thereof 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 in any court of competent jurisdiction, in connection with such taking and, it is so clets, 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 beneficiary in such proceedings, shall be paid to the beneficiary and applied by it first upon all reasonable costs and expenses and, thereafter, the 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.

"3. At any time and from time to time upon written demand of the beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance) or cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) cause to be made a map or plat of said property; (b) join in granting easement or creating and restriction thereon, (c) join in any subdivision or other agreement affecting this deed or the lien or charge hereof; (d) reconvey, without warranty, all or any part of the property. The trustee in any reconveyance shall make a map or plat of said property if so notified thereto; and the recitals therein concerning matters or facts shall be conclusive proof of the truthfulness thereof. "4. The fee for any of the services in this paragraph shall be \$5.00.

"5. As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property, whether now owned by grantor or thereafter acquired through mineral interests in the property. If the property is leased, the proceeds of the lease are to be paid to the beneficiary. In the event of default by the grantor, the beneficiary 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 writing or orally, or by receiver to be appointed by a court, and without regard to the adequacy of the security for the indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name sue for or otherwise collect the same, and make title without notice to third parties, 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

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, at 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. 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 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 so sold, but without any covenant or warranty, express or implied. The recitals 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 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 consent of the grantor, the trustee 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.

Roger W. Schooler (SEAL)
Cheryl Ann Schooler (SEAL)

STATE OF OREGON }
County of Klamath } ss.

THIS IS TO CERTIFY that on this 14th day of September, 1977, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named:

ROGER W. SCHOOLER AND CHERYL ANN SCHOOLER, 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 V. Brown
Notary Public for Oregon
My commission expires: November 12, 1978

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 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 14th day of SEPTEMBER, 1977, at 3:38 o'clock P.M., and recorded in book M77 on page 17169 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

WM. D. MILNE

County Clerk

Bernetha J. Letch
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 same) and to reconvey, without warranty, to the person 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: 32815, 1977 by 32815