

38190

TRUST DEED

THIS TRUST DEED, made this 28th day of October, 1977, between T. MICHAEL BESSONETTE, & ELEANOR E. BESSONETTE, HUSBAND AND WIFE, as grantor, William Slemore, as trustee, and Klamath First Federal Savings and Loan Association, 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 6 in Block 16, RIVERSIDE ADDITION
IN 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 allawnings, 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 **THIRTY ONE THOUSAND FIVE HUNDRED AND NO/100 (\$31,500.00)** 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 **\$265.55**, commencing December 20th, 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 herein named in the above described property, as may be evidenced by one or more notes or notes. If the indebtedness secured by this trust deed is paid in full by one or more notes, 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 from all encumbrances and that the grantor will and his heirs hereafter shall warrant and defend his said title to the said premises and administrators shall warrant and defend his said title to the said premises against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said note according to the terms hereof and when all taxes, assessments and other charges levied against said property to keep all property free from all encumbrances having precedence over this trust deed; to complete all buildings in course of construction on the date hereof constructed on said premises within six months from the date hereof or on the date construction is hereafter commenced; to repair and maintain all said property in a good workmanlike manner any building or improvement on said property which may be damaged or destroyed and to keep when due all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to remove any work or materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary; or 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 cause no waste of said premises; to keep all buildings, property and improvements now or hereafter erected on said premises continuously; to insure, against loss by fire or such other hazards as the beneficiary may require, the amount of the sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver to original policy of insurance in correct form and with approved and 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; in its own 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-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, assessments and governmental charges levied or assessed against the above described property and insurance premium 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, the grantor will pay to the beneficiary in addition to the monthly payments of principal and interest payable under the terms of the trust deed, obligations secured hereby on the date installments on principal and interest payable an amount equal to 1/12 of the taxes, assessments and other charges levied or assessed against said property within each succeeding 12-month period also 1/30 of the insurance premium payable with respect to said property with each succeeding three years while this Trust Deed is in effect as estimated and determined 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 their local post office accounts minus 8 1/4 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 in 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 thereof furnished by the grantor, and to withdraw the sum which may be required from the escrow 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 on for any loss or damage growing out of a defect in any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to compromise and settle with the 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 escrow 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 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, at its option carry out the same, and all its expenditures therefor shall draw interest at the rate specified in the note, shall be recovered 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 to do any 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, expenses and charges of this trust, including the cost of title search as well as the other costs and expenses of the trustee incurred in connection with the enforcement of this obligation; and trustee's and attorney's fees necessarily incurred in enforcing this obligation; and trustee's and attorney's fees necessarily incurred to appear in and defend any action or proceeding purporting to affect the security of the rights or powers of the trustee or the beneficiary; and to pay all costs and expenses, including costs 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 the 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 and defend any action or defend any action or proceeding to or to recover any compensation or settlement in connection with such taking and, if it so elects, to require that all or any portion of the money so payable be paid to all reasonable costs, expenses and attorney's fees necessarily paid by the grantor in connection with such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid by the grantor in such proceeding, shall be paid to the beneficiary; and the amount so paid by the grantor in such proceeding, shall be paid to the beneficiary and applied by it first upon any reasonable costs and expenses of attorney's fees necessarily paid or incurred by the beneficiary in such proceeding; 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, by written request 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 in the payment of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination of other agreement affecting this deed or the lien or charge hereby; (d) reconvey, without warranty, all or any part of the property. The grantor in any reconveyance may be described as the "person or persons legally entitled thereto"; and the truthfulness thereof, trustee's fees for any of the services in this paragraph shall be \$300.

3. As additional security, grantor hereby assigns to beneficiary during the continuation of these trusts all rents, issues, royalties and profits, and the profits, if any, arising from the operation of any business secured hereby or in grantor shall default in the payment of any such business secured hereby or in the 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 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 the 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 to such order as the beneficiary may determine.

