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WHEN RECORDED MAIL TO

First National Bank of Cregon Real Estate Leen Division P. O. Box 1936 Klamath Falls, Occ. 97001 Vol. 78 Page 1016

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

THIS DEED OF TRUST is made this. 1.6 day of JANUARY.

19.78, among the Grantor, ROY BOWERS

(herein "Borrower"),

TRANSAMERICA TITLE INSURANCE (herein "Trustee"), and the Beneficiary,

FIRST NATIONAL BANK OF OREGON , a corporation organized and
existing under the laws of THE UNITED STATES OF AMERICA whose address is.

1.500 SW 5TH PORTLAND, OREGON (herein "Lender").

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of, State of Oregon:

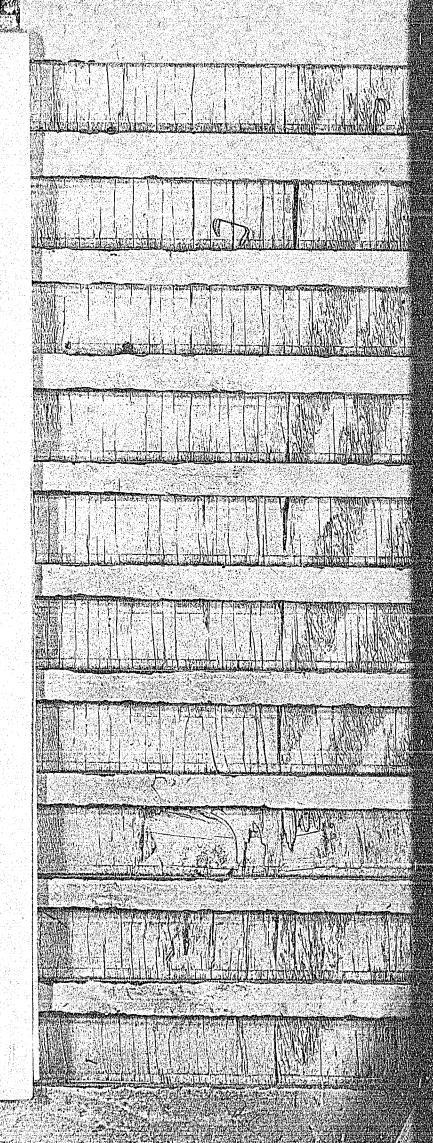
LOT 9, IN BLOCK 8, TRACT NO. 1064, FIRST ADDITION TO GATEWOOD, KLAMATH COUNTY, OREGON.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

OREGON-1 to 4 Family-6/75*-FHMA/FHLMC UNIFORM INSTRUMENT

RE-92 9-75



UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

Uniform Covernmers. Borrower and Lender covenant and agree as follows:

1. Prymers of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Fature Advances secured by this Deed of Trust.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Londer, borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly treated to yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereor.

The Funds shall be held in an institution the deposits or accounts of which produce the product of the pro

that such approval shall not be different to the insurance carrier and Lender. Lender shall be applied to restoration or repair of the Borrower shall give prompt notice to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss it not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

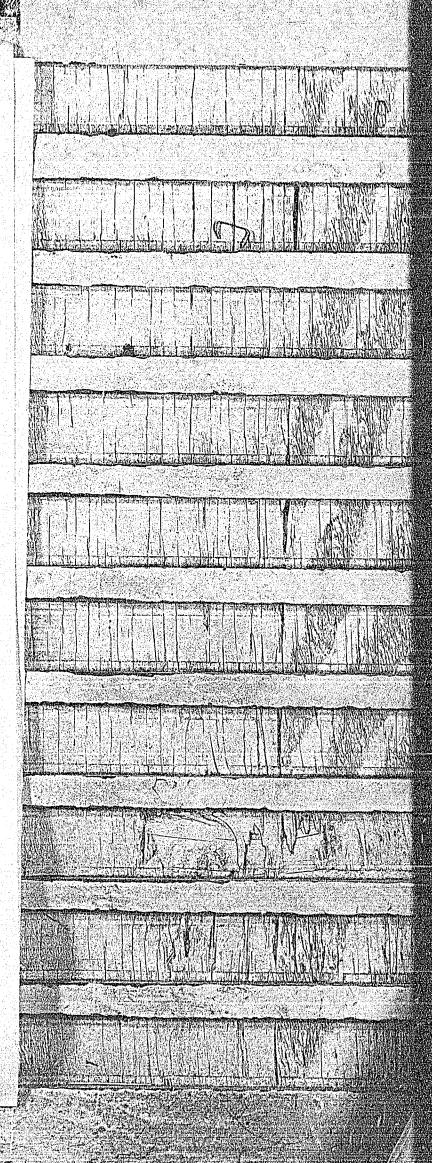
6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower 6. Preservation and Maintenance of Property; Leaseholds; Condominums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider

shall be incorporated into and shall amend and supplement the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incu

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.



9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender with the excess, if any, paid to Borrower in the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Deed of Trust immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

with the excess, if any, paid to Borrower. In the event of a partner to the paid be appreceded otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust immediately prior to the date of as is equal to that proportion which the annount of the sums secured by this Deed of Trust immediately prior to the date of taking, with the balance of the proceeds taking bears to the fair market value of the Property inmediately prior to the date of taking, with the balance of the proceeds taking bears to the fair market value of the Property or the date of the control of the property or the sums secured by this Deed of Trust.

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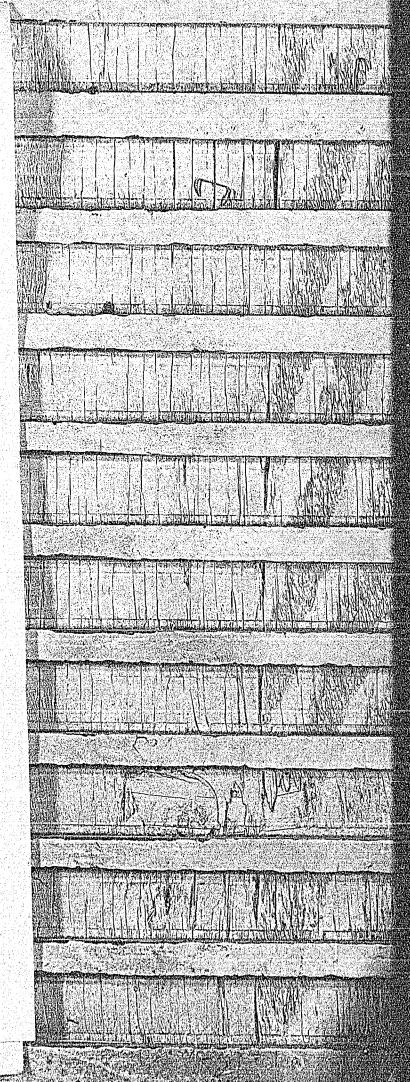
The property or to the sums secured by the proceeds, at Lender's option, either to restoration or repair of the property or to the sums secured by the proceeds of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. Borrower spanied by Lender to any successor in interest of Borrower shall not operate to release, in any manner, by this Deed of Trust by reason of any demand made by the original Borrower successors in interest of Borrower shall not be required to the sums secured by this Deed of Trust by reason of any demand made by the original Borrower successors in interest of Borrower shall not be required to the sums secured by this Deed of Trust by reason of any demand made by the original Borrower successors in interest of Borrower shall not be a water of Lender's charge by Lender shall not be a water of Lender's defined by applicable law, shall not be a worth of the processor of the province of the p

Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, and the property of the covenants of pay when due any sums secured by this Deed of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, and the property of the covenants of the paragraph 14 hereof specifying: (1) the breach is not a secured by this Deed of Trust and 3d days from the date the notice is mailed to breach use the reach in a day to the property. The notice shall further notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further notice may result in acceleration of the sums secured by this Deed of Trust on the secure of a default or any other defense of Borrower to acceleration and sale. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately specified in the notice, Lender self-under's option may declare all of the sums secured by this Deed of Trust to be immediately specified in the notice, Lender self-under's option may declare all of the sums secured by this Deed of Trust to be immediately specified in the notice, Lender self-under self-und



secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's tees, and then to the sums secured by this Deed of Trust Lender and the receiver shall be liable to account only for those rents actually received.

21. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

23. Substitute Trustee. In accordance with applicable law, Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall successor trustee herein and by applicabl IN WITNESS WHEREOF, Borrower has executed this Deed of Trust. (Official Seal) My Commission expires: To Trustee REQUEST FOR RECONVEYANCE The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto. Space Below This Line Reserved For Lender and Recorder ATE OF OREGON; COUNTY OF KLAMATH; 55. _A. D. 19<u>78</u> at 0:43 clock AM., and nis _17th_day of January_ fully recorded in Vol. <u>M78</u>, of <u>Mortgages</u> Wm D. MILNE, County Cle-By Servethar D. Kels Fee \$12.00