

01-11242

TRUST DEED

THIS TRUST DEED, made this 6th day of June
DONALD B. MCCANN and ELIZABETH

Vol. m 78 Page 12020

..... 19 78 between
 as grantor, William Sisemore, as trustee, and
 United States, as beneficiary;
 The grantor irrevocably grants, bargains,
 Klamath

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 20 in Block 4, TRACT NO. 1035 - GATEWOOD, according to the official plat thereof on file in the office of the County Clerk of 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 performance of each agreement of the grantor herein contained and the payment of the sum of **FOUR THOUSAND** \$ **47,600.00** (.....) Dollars, with interest thereon according to the terms hereof, to the grantee, or the grantee's heirs, assigns, beneficiaries or order and made by the grantor.

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 a note, the beneficiary may credit payments received by it as the beneficiary may elect.

The grantor hereby covenants to and with the trustee and the beneficiary free and clear of all encumbrances and property conveyed by this trust deed are and the grantor will and the beneficiary shall warrant and defend the claims of all persons whomsoever against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said note according to the terms thereof and, when due, all taxes, assessments and other charges levied against said property; to keep said property free from all encumbrances against it hereafter constructed; to complete all buildings in course of construction hereof or the date construction of said premises within six months from the date promptly and in good workmanlike manner commenced; to repair and restore costs incurred therefor; to allow a beneficiary to inspect said property at all times during construction; to replace any work or material found unsatisfactory by a beneficiary within seven days after written notice from the beneficiary of such defect; not to remove or destroy any building or improvements on said premises hereafter erected upon said premises; to keep all buildings and improvements on or hereafter erected upon said premises; to keep all buildings and improvements now or by fire or other cause erected on said premises continuously insured against loss in a sum not less than the original principal sum of the note to time required secured by this trust; that the beneficiary may from time to time require the fiduciary, and to deliver the original policy of insurance in correct form and with approval; loss payable clause in the policy of insurance acceptable to the beneficiary; premium paid, to the principal place of business of the beneficiary attached and with fifteen days prior to the effective date of any such policy of the beneficiary and with discretion obtain insurance for the benefit of the beneficiary may in its own shall be non-cancellable by the grantor during the full term, which insurance 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 at the time the loan principal and interest shall be payable under the terms of the note or obligation secured hereby on the date installments 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 1/3rd 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 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

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, the grantor is 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 amount, as shown by the statements thereof furnished by the collector of such taxes, assessments or other charges, and to pay the insurance premiums represented and to withdraw the same which may be required from the insurance carrier of their responsibility for failure to have any insurance written or 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 any 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 reserve account shall be credited to the indebtedness. If any authorized reserve account for taxes, assessments or insurance premiums and other charges is not sufficient at the time for the payment of such charges as they become due, the grantor shall pay the (the beneficiary) may at its option add the amount of such deficit to the principal obligation secured hereby. Should the grantor fail to pay such deficit to the principal obligation secured hereby, the beneficiary shall be entitled to demand such deficit from the grantor.

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 payable 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 to exercise its discretion to complete any improvements made on said premises and also to make such repairs to the property as in its sole discretion it may deem necessary.

[illegible]

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 in its own name, appear in or defend any action or proceedings, or to make any compromise or settlement in connection with such taking and if it so elects, to require that all or any portion of the money's payable as compensation for such taking, which are in excess of the money's acquired to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary and applied by it first upon such proceedings, shall be paid to the beneficiary and applied upon the indebtedness secured by the beneficiary and attorney's at its own expense, to take such action as may be necessary.

[illegible][illegible]

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 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 recordation 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 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.

Donald B. McCann (SEAL)
DONALD B. MCCANN

Elizabeth Jean McCann (SEAL)
ELIZABETH JEAN MCCANN

STATE OF OREGON

County of Klamath } ss.

THIS IS TO CERTIFY that on this 6TH day of June, 1978, before me, the undersigned, a

Notary Public in and for said county and state, personally appeared the within named DONALD B. MCCANN and ELIZABETH JEAN MCCANN, husband and wife

to me personally known to be the identical individual 2 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 H. Page
PUBLIC
(SEAL) OF OREGON

Notary Public for Oregon
My commission expires: 4/24/81

Loan No. _____

TRUST DEED

Grantor

TO

KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION

Beneficiary

After Recording Return To:

KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 6th day of June, 1978, at 3:11 o'clock P. M., and recorded in book M78 on page 12020 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne

County Clerk

Bernard H. Detach

Deputy

Fee \$6.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Sisemore, _____, 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.

Klamath First Federal Savings & Loan Association, Beneficiary

DATED: _____

1978