Loan 001-41660 T/A 38-16420

TRUST DEED

Vol. M78 Page 20523

55076

THIS TRUST DEED, made this 15th day of September, 19 78, between FRANK A. SUCCO AND BEVERLY P. SUCCO, Husband and Wife, as grantor, William Sisemore, 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:

Tract 93, PLEASANT HOME TRACTS NO. 2, in the County of Klamath, State of 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 pertaining to the above described premises, and all plumbing, lighting, heating, ventilating, air-conditioning, refrigerating, watering, 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 replacements and additions thereof, all of which shall be deemed and construed to be part and parcel of the property covered hereby.

This trust deed shall further secure the payment of such additional moneys, if any, as may be loaned hereafter by the beneficiary to the grantor or owner of the property covered by this trust deed so long as the additional moneys are secured by a lien on the above described property, and shall secure the payment of any and all other indebtedness now or hereafter owing from the grantor to the beneficiary, direct or indirect, however evidenced, howsoever incurred or created, and whether the beneficiary may be a original payee or a subsequent owner or holder of any note, contract or other evidence of such indebtedness. If the indebtedness secured by this trust deed is evidenced by a note which by its terms provides for the payment of attorney's fees, the same amount as provided for in said note or notes shall be included in the indebtedness secured hereby and if suit or action is filed hereon, the amount thereof should be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, the amount thereof should be fixed by the appellate court. It is agreed that in the event that the beneficiary shall be a party to any suit or action, other than a suit or action to foreclose this deed, or to quiet title to the property covered hereby, or to protect the security hereof, the amount of such attorney's fees should be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, the amount thereof should be fixed by the appellate court. It is further agreed that in the event that the beneficiary shall be a party to any action or suit to foreclose this deed, or to quiet title to the property covered hereby, or to protect the security hereof, the amount of such attorney's fees should be fixed by the court in such action or suit, and in the event of an appeal from any judgment or decree of the court in such action or suit, the amount of such attorney's fees should be fixed by the appellate court.

The grantor hereby covenants to and with the trustee and the beneficiary herein that the said premises and property are free and clear of all encumbrances and that the grantor will and his heirs, executors and administrators shall warrant and defend his said title thereto against the claims of all persons whomsoever.

The grantor covenants and agrees to pay said indebtedness according to the terms thereof and, when due, all taxes, assessments and other charges levied against said property; to keep said property free from mechanics' liens; to complete all buildings in course of construction or hereafter constructed on said premises within six months from the date hereof or the date construction is hereafter commenced; to repair and restore promptly and in good workmanship and materials any building or improvement now or hereafter erected on said premises which may be damaged or destroyed and pay, when due, all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactory to the beneficiary within fifteen days after written notice from beneficiary of such fact; and to remove or demolish any building or improvement now or hereafter constructed on said premises; to keep all buildings now or hereafter erected on said premises continuously insured against loss by fire or such other hazards as the beneficiary may from time to time require, in an amount not less than the original principal loan secured by this trust deed, in a company or companies satisfactory to the beneficiary, and to deliver the original policy of insurance to the beneficiary or, if required by the beneficiary, a duplicate thereof; the insurance policy to be kept in force during the term of the loan; to deliver to the beneficiary at least ten days prior to the effective date of any insurance policy then in force, a renewal policy or a certificate of renewal of such policy; to assign to the beneficiary as further security hereunder the proceeds of any insurance on said premises, in the event of loss, and to deliver to the beneficiary all such policies of insurance; to keep the premises free from any lien or encumbrance other than those now or hereafter approved in writing by the beneficiary; to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before the same become delinquent; to pay all water rents, sewer rentals, assessments and other charges when due; to pay all expenses, including cost of evidence of title and attorney's fees, incurred in connection with any action or proceeding purporting to affect the security hereof or the rights or powers of the beneficiary or trustee; 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 incurred in connection with or 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 costs and expenses, including cost 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 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:

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 amount required 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 any reasonable costs and expenses and attorney's 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.

At any time and from time to time upon written request of the beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon, (c) join in any subordination or other agreement affecting this deed or the lien or charge hereof; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto" and the recitals 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.

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 this deed and of any personal property located thereon. Until grantor shall default in the payment of any indebtedness 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 to be appointed by a court, and without regard to the adequacy of any 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 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 in such order as the beneficiary may determine.

The grantor hereby covenants to and with the trustee and the beneficiary herein that the said premises and property are free and clear of all encumbrances and that the grantor will and his heirs, executors and administrators shall warrant and defend his said title thereto against the claims of all persons whomsoever.

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 incurred in connection with or 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 costs and expenses, including cost 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 beneficiary to foreclose this deed, and all said sums shall be secured by this trust deed.

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5. 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.

6. 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 if a new loan application and shall pay beneficiary a service charge.

7. 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.

8. 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 the terms of the trust deed and the obligations secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trust deed, including such reasonable attorney's fees not exceeding $50.00 as may be allowed by the court) other than such portion of the principal as would not then be due had no default occurred and thereby cure the default.

9. 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.

10. 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.

11. 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.

12. 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.

13. 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.

Frank A. Succo (SEAL)

Beverly P. Succo (SEAL)

STATE OF OREGON
County of Klamath } ss.

THIS IS TO CERTIFY that on this 15th day of September, 19 78, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named FRANK A. SUCCO AND BEVERLY P. SUCCO, Husband and Wife to me personally known to be the identical individuals 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.

Susan K. Kandel
Notary Public for Oregon
My commission expires: 12-6-81

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 Klamth } ss.

I certify that the within instrument was received for record on the 15th day of September, 1978, at 3:38 o'clock P M., and recorded in book M78 on page 20523 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne
County Clerk

By Kenneth A. Hetrick
Deputy

Fee $6.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Ransom, 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: ..... by .....