

DEED OF TRUST

This form is used in connection with deeds of trust insured under the one-to-four-family provisions of the National Housing Act.

THIS DEED OF TRUST, made this 20 day of SEPTEMBER, 198

between ROBERT W. ADAMS AND KATHLEEN M. ADAMS

HUSBAND AND WIFE

whose address is 515 NORTH SECOND STREET KLAMATH FALLS State of Oregon,

TRANSAMERICA TITLE INSURANCE COMPANY, as Trustee, and

FIRST NATIONAL BANK OF OREGON

, as Beneficiary.

The rights and obligations of the parties under this Instrument are expressly made subject to the provisions of the Addendum attached to the Deed of Trust. In the event of any conflict between the provisions of this Addendum and the principal provisions of this Instrument, the conditions of the Addendum shall control.

RWA
Initial

KMA
Initial

Now know, 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 KLAMATH State of Oregon:

The Northwesterly 50 feet of Lot 5, Block 16, EWAUNA HEIGHTS ADDITION IN THE CITY OF KLAMATH FALLS, OREGON AND MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE MOST WESTERLY CORNER OF SAID LOT 5, BLOCK 16 AFORESAID AND RUNNING THENCE NORTHEASTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 5, 53 FEET, MORE OR LESS TO THE MOST NORTHERLY CORNER OF SAID LOT; THENCE SOUTHEASTERLY ALONG THE LINE BETWEEN LOTS 4 AND 5 IN SAID BLOCK 16, 50 FEET; THENCE SOUTHEASTERLY PARALLEL WITH FIRST COURSE HEREIN, 53 FEET MORE OR LESS TO THE NORTHEASTERLY LINE OF SECOND STREET; THENCE NORTHWESTERLY ALONG SECOND STREET, 50 FEET TO THE PLACE OF BEGINNING.

which said described property is not currently used for agricultural, timber or grazing purposes.

Together with all the tenements, hereditaments, and appurtenances now or hereafter thereto belonging or in anywise appertaining, the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

DO HAVE AND TO HOLD the same, with the appurtenances, unto Trustee.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of \$ 23,500.00 with interest thereon according to the terms of a promissory note, dated SEPTEMBER 20 1978 payable to Beneficiary on order and made by Grantor, the final payment of principal and interest thereof, if any remains due, shall be due and payable on the first day of OCTOBER 2008.

The Beneficiary is authorized to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity. Provided, however, That written notice on an intention to prepay such payments is given at least thirty (30) days prior to prepayment.

The Beneficiary agrees to pay to the Beneficiary, in addition to the monthly payments of principal and interest payable under the terms of said note, on the first day of each month until said note is fully paid, the following sums:

(a) An amount sufficient to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development as follows:

(i) If said mortgage is not insured, and the instrument is insured or so reinsured under the provisions of the National Housing Act, an amount sufficient to pay the mortgage insurance premium due the holder one (1) month prior to its due date the annual mortgage insurance premium, in accordance with the provisions of the National Housing Act, as provided, and approved by Regulations hereunder; or

(ii) If said mortgage is not insured, and this instrument is held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the mortgage, computed without taking into account delinquencies or prepayments;

(b) All taxes, as estimated, by the Beneficiary, equal to the general taxes, if any, and the taxes and special assessments next due on the premises covered by this deed of trust, plus the premiums that will next become due and payable on policies of fire and other insurance on the premises covered by this deed of trust, as estimated by the Beneficiary in amounts and in a company or companies that may be designated by the Beneficiary in writing, and the Beneficiary shall pay all bills and notices therefor, less all sums already paid by the Beneficiary, and the same shall be paid by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments, before the same become delinquent, and

(c) All mortgage commitments and the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Beneficiary to the following items in the order set forth:

(1) prepayment charges under the terms of agreement with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), if the same are due;

(2) ground rents, if any, taxes, and

(3) delinquencies, fees and other hazard insurance premiums;

(III) interest on the note hereunder, and
(IV) amortization of the principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good prior to the due date of the next such payment, constitute an event of default under this Deed of Trust.

3. In the event that any payment or portion thereof is not paid within fifteen (15) days from the date the same is due, Grantor agrees to pay a late charge, of four cents (4c) for each dollar so overdue, if charged by Beneficiary.

4. If the total of the payments made by Grantor under (5) of paragraph 2 preceding shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes or assessments, or insurance premiums, as the case may be, such excess, if the form hereon, at the option of the Grantor shall be credited on subsequent payments to be made by Grantor, or refunded to the Grantor. If, however, the monthly payments made under (5) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Grantor all payments made under the provisions of (a) of paragraph 2, which the Beneficiary has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, Beneficiary shall apply at the time of the payment of such proceeds, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note and shall properly adjust any payments which shall have been made under (a) of paragraph 2.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR AGREES:

5. To keep said premises in as good order and condition as they now are and not to commit or permit any waste thereof, reasonably wear and tear excepted.

6. To complete or restore premises and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:

(a) to commence construction promptly and in any event within 30 days from the date of the commitment of the Department of Housing and Urban Development, and complete same in accordance with plans and specifications satisfactory to Beneficiary.

(b) to allow Beneficiary to inspect said property at all times during construction.

(c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Grantor by registered mail, sent to his last known address, or by personal service of the same.

(d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) calendar days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, or authorized to accept, audit and condone all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building or improvement thereon.

8. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property.

9. To provide and maintain insurance against loss by fire and other hazards, casualty, and contingencies including war damage as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by the Beneficiary, delivery shall constitute an assignment to Beneficiary of all return premiums.

10. To appear and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and shall Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

11. To pay at least 30 days before delinquency all assessments upon water company stock, and all rents, assessments and charges for water, apartment, or other services in connection with said property, to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto, to pay all costs, fees, and expenses of this Trust.

12. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided in the principal note, and the repayment thereof shall be secured hereby.

13. To take all acts and make all payments required of Grantor and of the owner of the property to make said note and this Deed enforceable for insurance. No Beneficiary under the provisions of the National Housing Act and amendments thereto, and agrees not to do, or cause or suffer to be done, any act which will void such insurance during the existence of this Deed.

IT IS MUTUALLY AGREED THAT:

14. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and on such terms as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes, commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest, or compromise any claim, charge, or lien which, in the judgment of either, appears to be prior or superior hereto, and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including costs of evidence of title, expense of removal, and pay all reasonable fees.

15. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or suffer loss or destruction in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in, and prosecute in its own name, any action or proceedings, or to make any assignment or settlement, in connection with such taking or damage. All such compensation, awards, damages, profits of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, shall be paid to Beneficiary, who after deducting therefrom all its expenses, including attorney's fees, release any and all compensation, awards, damages, and profits of action and proceeds as Beneficiary or Trustee may require.

16. The receipting payment of any sum required hereby after its due date, Beneficiary does not waive its right either to require prompt payment within 30 days after sums so stated or to declare default for failure so to pay.

17. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed and that note for endorsement for use of said conveyance, for cancellation and retention, without affecting the liability of any person for the payment of the indebtedness. 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 of charge hereof, (d) execute any deed, without warranty, all or any part of the property.

The Grantor or any person or persons may be described as the "person or persons legally entitled thereto," and the recitals therein of any number of facts shall be considered as part of the truthfulness thereof.

18. An additional security for the performance of the obligations of Grantor hereunder, 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 and to default as they become due and payable.

19. Upon any default, 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 any take possession of and property or any part thereof, in his own name for and otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same for the costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or in whole or in any act done pursuant to such notice.

20. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, or should this Deed and said note not be eligible for insurance under the National Housing Act within **THREE** months from the date hereof, written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to **THREE** months' time from the date of

this Deed, declining to make said note and this Deed, being deemed conclusive proof of such ineligibility), or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be duly filed for record. Beneficiary shall also deposit with Trustee this Deed, the note and all documents evidencing expenditures secured hereby.

21. After the lapse of such time as may then be required by law following the recordation of said notice of default and notice of sale having been given in form required by law, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory rights of Grantor's direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at of all or any portions 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. Trustee shall deliver to the purchaser its Deed 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, including Grantor, or Beneficiary, may purchase at the sale. After deducting all costs, fees, and expenses of Trustee and of this trust, including cost of title evidence and reasonable attorney's fees, an advertisement with sale, Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, with accrued interest at the rate provided on the principal debt, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

22. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and instead of Trustee herein named, and thereupon the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect and originally named Trustee herein.

23. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including children, of the property described hereby, whether or not named as Beneficiary herein.

24. Trustee accepts this Trust when this Deed, duly executed and acknowledged, is made public record as provided by law, which Grantor, Beneficiary, or Trustee shall be a party, unless brought by Trustee.

25. The term "Deed of Trust," in any instrument, shall mean for same as, and be synonymous with, the term "Trust Deed," as used in the laws of Oregon relating to Deeds of Trust and Trust Deeds. Whenever used, the singular number shall include the plural, the plural the singular, and the above any gender shall be applicable to all genders.

26. Attorney's fees incurred in this Deed of Trust and in the Note, "Attorney's Fees" shall include attorney's fees, if any, which shall be awarded by an Appellate Court.

Robert W. Adams
ROBERT W. ADAMS
STATE OF OREGON
COUNTY OF KLAMATH

Signature of Grantor

Kathleen M. Adams
KATHLEEN M. ADAMS
Signature of Grantor.

I, the undersigned,

A NOTARY PUBLIC

22

SEPTEMBER

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herby certify that on this

ROBERT W. ADAMS AND KATHLEEN M. ADAMS

personally appeared before me

to me known to be the individual described in and who executed the within instrument, and acknowledged that THEY signed and sealed the same as THEIR free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this day and year last above written.

Don Nelson
Notary Public in and for the State of Oregon.

My commission expires 2-3-19

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO TRUSTEE

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: 11

Mail reconveyance to

STATE OF OREGON
COUNTY OF Klamath

I hereby certify that this within Deed of Trust was filed in this office for Record on the 25th day of September, A.D. 1978 at 10:54 o'clock A.M. and was duly recorded in Book M78 of Record of Mortgage of Klamath County, State of Oregon, on page 21161

Wm. D. Milne

Recorder.

By Bernice Adelsch

Deputy.

Fee \$9.00