THIS TRUST DEED, made this 28th day of September, 19 78, between CHERRIE SCOTT DUFF and SUSAN DUFF, husband and wife, and DANIEL J. DUFF and DORIS DUFF, 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:

The N½ of Lots 19 and 20, Block 14, INDUSTRIAL ADDITION TO THE CITY OF KLAMATH FALLS, 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 tenements, hereditaments, rents, issues, profits, water rights, easements or privileges now or hereafter belonging to, derived from or appurtenant 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 coverings in place such as wall-to-wall carpeting and linoleum, and all other furniture, furnishings and household equipment now or hereafter installed in or used in connection with the above described premises, including replacements and additions thereto, which the grantor now 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 ELEVEN THOUSAND FIVE HUNDRED AND 00/100 Dollars ($ 11,500.00) 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 $ 104.42 commencing November 10th, 19 78.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible] balance remaining in the reserve account, shall be credited to the indebtedness. If such reserve account is not sufficient at any time for the payment of such charges, premiums and other charges, the grantor shall pay the deficiency upon demand, and if not paid within [illegible] days after such demand, the beneficiary may at its option add the amount of such deficiency to the principal of the obligation secured hereby.

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, with interest at the rate specified in the note, shall be repayable by the grantor on demand, and shall be secured by the lien of this trust deed. In exercising this option, the beneficiary shall have the right in its discretion to complete any construction in progress, and also to make 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, 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, fees and expenses of the trustee and beneficiary, 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 such sums shall be secured by this trust deed.

The beneficiary will furnish to the grantor on written request therefor an accounting 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 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.

2. 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 and 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.

3. 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 said 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.

Unofficial Copy

[illegible]

IN WITNESS WHEREOF, [illegible] hereunto set his hand and seal the day and year first above written.

DENIS SCOTT DUFF (SEAL) DENIS SCOTT DUFF (SEAL)

SUSAN DUFF (SEAL) DORIS DUFF (SEAL)

County of Klamath }ss

THIS IS TO CERTIFY that on this 29th day of September, 1978, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named DENIS SCOTT DUFF and SUSAN DUFF, husband and wife, and DENIS SCOTT DUFF and DORIS DUFF, 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.

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

Loan No.

TRUST DEED

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 29th day of September, 1978, at 10:55 o'clock A M., and recorded in book M78 on page 21705 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne
County Clerk

By Bernetha G. Letsch
Deputy

Fee $6.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

To: William Isaacson, 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: ..... 19..

By .....

Unofficial Copy