

THIS TRUST DEED, made this 16th day of October 19 78... between
..... REX L. ANDERSON AND DIANE ANDERSON, 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:
Beginning at the most Westerly corner of Lot 5, Block 63, NICHOLS ADDITION TO
THE CITY OF KLAMATH FALLS, OREGON; thence Southeasterly along the Easterly
line of 8th Street, 40 feet; thence Northeasterly at right angles to 8th Street,
90 feet; thence Northwesterly and parallel with 8th Street, 40 feet to the
Southerly line of Grant Street (formerly Franklin Street); thence Southwesterly
along the Southerly line of Grant Street, 90 feet to the place of beginning,
being a portion of Lots 5 and 6 of said Block and Addition, in the County of
Klamath, State of Oregon, SAVING AND EXCEPTING the following described property:
Beginning at the point on the Southerly line of Grant Street Northeasterly
along said Southerly line which is 90 feet from the most Westerly corner of
Lot 5, Block 63, Nichols Addition to the City of Klamath Falls, Oregon; thence
Southeasterly parallel with 8th Street 40 feet; thence Southwesterly parallel
with Grant Street 7 feet; thence Northwesterly parallel with 8th Street, 40
feet to the Southerly line of Grant Street; thence Northeasterly along said
Southerly line 7 feet to the place of beginning.

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, venti-
lating, 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 have, together with the sum of two thousand, eight
hundred and no/100 Dollars, 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 \$201.25 commencing
November 25 19 78...

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 any
note or notes. If the indebtedness secured by this trust deed is evidenced by
more than one note, part of the payments received by it upon
any of said notes or part of any payment on one note and part on another,
as the beneficiary may elect.

The grantor hereby covenants to and with the trustee and the beneficiary
herein that the said premises and property conveyed by this trust deed 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 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 having pre-
cedence over this trust deed; 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
hereof in good workmanlike manner any building or improvement on or
promptly and in good workmanlike manner any building or improvement on or
to said property therefor; to allow beneficiary to inspect said property at all
costs incurred during construction; to replace any work or materials unsatisfactory
beneficiary within fifteen days after written notice from beneficiary now or hereafter
fact; not to remove or destroy any building or improvements now or hereafter
constructed on said property in good repair and to commit or suffer
hereafter erected upon said property in good repair, property and impact loss
no waste or other hazards on said premises continuously insured against loss
by fire or other hazards as the original principal sum of the note or obligation
is a sum not less than the original principal sum of the note or obligation
secured by this trust deed, in a company or companies in correct form and with
fidelity, and to deliver the original policy of insurance attached and least
approved loss payable clause in favor of the beneficiary of insurance. If
premium paid, to the principal place of business of the beneficiary. If
said policy of insurance is not so tendered, the beneficiary, which insurance
shall be non-cancellable by the grantor during the full term of the policy thus
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 prop-
erty 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
was made, grantor will pay to the beneficiary in addition to the monthly payments of
principal and interest payable under the terms of the note or obligation secured hereby
on the date installments on principal and interest are payable with respect to said property
of the taxes, assessments, and other charges due and payable with respect to said property
within each succeeding 12 months also 1/30 of the insurance premium payable with
effect to said property until such succeeding three years while this trust deed is in
effect as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor
in full 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
4%, the rate of interest paid shall be 4%. Interest shall be computed on the average
monthly balance in the account and shall be paid quarterly by the grantor by crediting
to the escrow account the amount of the interest due.

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, such pay-
ments are 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 amounts as shown by the statements thereof furnished by the
collector of such taxes, assessments or other charges, and to pay the insurance premiums
in the amounts shown on the statements submitted by the insurance carriers or their rep-
resentatives and to withdraw the sums which may be required from the reserve account,
if any, established for that purpose. The grantor agrees in no event to hold the beneficiary
responsible for failure to have any insurance policy, and the beneficiary hereby is authorized, in the
event of a defect in any insurance policy, 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 of 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, insurance premiums and other charges is not sufficient at any
time for the beneficiary upon demand, and if not paid within ten days after such demand,
the beneficiary may at its option add the amount of such deficit 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 there-
for shall draw 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
this connection, the beneficiary shall have the right in its discretion to complete
any improvements made on said premises 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 and attorney's fees actually incurred;
to enforce in and defend any action or proceeding purporting to affect the secur-
ity 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 suit brought by bene-
ficiary 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:

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 ac-
tion 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 amount re-
payable as compensation for such taking, and attorney's fees necessarily paid
therein, shall be paid to the beneficiary. The grantor shall be obligated to pay
all reasonable costs, expenses and attorney's fees incurred by the beneficiary in
any such action or proceedings, and the grantor agrees to 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 bene-
ficiary, payment of its fees and expenses, for cancellation, without affecting the
liability of the grantor for the payment of the indebtedness, the trustee may (a)
join in the making of any map or plat of said property; (b) join in granting
consent to the making of any map or plat of said property; (c) join in any reconvey-
ance, or other agreement affecting this deed or the property. The grantor in any reconvey-
ance may be described as the "person or persons legally entitled thereto" and
without warranty, all or any part of the property. The grantor shall be conclusively bound by 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 prop-
erty affected by this deed and any personal property located thereon. Until
settled by this deed and the payment of any indebtedness secured hereby or in
the performance of any agreement hereunder, grantor shall have the right to col-
lect all such rents, issues, royalties and profits earned prior to default as they
become due and payable. Upon any default either in person, by agent or by
beneficiary, or any part thereof, 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 and 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 reason-
able attorney's fees, upon any indebtedness secured hereby, and in such order
as the beneficiary may determine.

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 trustees 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 recording 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 an-

ouncement 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 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, 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.

Rex L. Anderson (SEAL)
Diane Anderson (SEAL)

STATE OF OREGON
 County of Klamath } ss

THIS IS TO CERTIFY that on this 25 day of October, 1978, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named REX L. ANDERSON AND DIANE ANDERSON, 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.

TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Barlene T. Haddington
 Notary Public for Oregon
 My commission expires: 3-22-81

Loan No. _____ <h2 style="text-align: center;">TRUST DEED</h2> <p style="text-align: center;">(DON'T USE THIS SPACE RESERVED FOR RECORDING LABELS IN COUNTIES WHERE TIES WHERE USED)</p> <p style="text-align: center;">I certify that the within instrument was received for record on the <u>26th</u> day of <u>October</u>, 19<u>78</u>, at <u>11:00</u> clock <u>A</u>. M., and recorded in book <u>M78</u> on page <u>24093</u> Record of Mortgages of said County.</p> <p style="text-align: center;">Witness my hand and seal of County affixed.</p> <p style="text-align: center;"><u>Wm. D. Milne</u> County Clerk</p> <p style="text-align: right;"><i>Bernetha H. Hetch</i> Deputy</p> <p style="text-align: right;">Fee \$6.00</p>	STATE OF OREGON } County of <u>Klamath</u> } ss. I certify that the within instrument was received for record on the <u>26th</u> day of <u>October</u> , 19 <u>78</u> , at <u>11:00</u> clock <u>A</u> . M., and recorded in book <u>M78</u> on page <u>24093</u> Record of Mortgages of said County. Witness my hand and seal of County affixed. <u>Wm. D. Milne</u> County Clerk <i>Bernetha H. Hetch</i> Deputy Fee \$6.00
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REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Sitemore, 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: 25 October, 1978

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