

WITNESSETH:

The Northeasterly $\frac{1}{2}$ of Lot 17, Block 36, HOT SPRINGS ADDITION
TO KLAMATH FALLS, in the County of Klamath, State of Oregon.

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 one or more notes, the beneficiary may credit payments received by it upon more than one note, the beneficiary may credit payments received by it upon any 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.

[illegible]

On this day, in order to provide regularly for the prompt payment of said taxes, assessments and other charges and insurance premiums, the grantor agrees to pay to the beneficiary, together with and in addition, the monthly payments of principal and interest payable under the terms of the note or obligation secured hereby, an amount equivalent to one-twelfth (1/12th) of the taxes, assessments and other charges due and payable with respect to said property within each such month, and also one-thirty-sixth (1/36th) of the income of the premiums payable with respect to said property within each succeeding three years while such trust deed remains in effect, as estimated and directed by the beneficiary, the sum to be credited to the principal of the loan until required for the several purposes thereof, and the principal thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sums so paid shall be held for the benefit in trust as a reserve account, without interest, to pay said premiums, taxes, assessments or other charges when they shall become due and payable.

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 any insurance policies upon said property, such payments 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 the amounts as shown by the statements submitted by insurance carriers or their representatives, and to pay said sums to the principal of the loan or to withdraw the sums 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, written or not, or 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, or diminution and settle with any insurance company to apply any insurance receipts upon the obligations for payment and satisfaction in computing the amount of the indebtedness for the property by the beneficiary after 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 insured, if the reserve account for taxes, assessments, insurance premiums and other charges is not sufficient at any time for the payment of such charges as they become due, the grantor shall pay the deficit on such demand, the beneficiary 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 therefor shall draw interest at the rate specified in the note, shall be repayable by the grantor on demand and shall be secured by the title in its discretion to complete this connection; the beneficiary shall have the right to make such repairs to said 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 incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees actually incurred; to appear in and defend any suit or proceeding purporting to affect the security of or the title 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 any suit or proceeding to be fixed by the court in which the action or proceeding is brought, in which the beneficiary or trustee may appear and in any suit brought by beneficiary to enforce 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:

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 or defend in its own name, appear in or defend any action or proceedings, to take any compromise or settlement in connection with and, if it so elects, to require that all or any portion of the amount recoverable as compensation for such taking, which are in excess of the amount repayable as compensation for such taking, shall be paid to the beneficiary or incurred by pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by it 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 necessarily paid or incurred by the beneficiary in such proceedings the grantor agrees, balance applied upon the indebtedness of the beneficiary to the grantor as shall be 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.

[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 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 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.

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.

STATE OF OREGON
County of Klamath ss

THIS IS TO CERTIFY that on this 14th day of November, 1978, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named IRENE A. SMIRNOW and IRENE A. SMIRNOW, husband and wife who personally known to me 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 WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Ronald A. Page
Notary Public for Oregon
My commission expires: 4/24/81

Loan No. _____

TRUST DEED

TO
GRANTOR
**KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION**

BENEFICIARY
After Recording Return To:
**KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION**

(DON'T USE THIS
SPACE; RESERVED
FOR RECORDING
LABEL IN COUN-
TIES WHERE
USED.)

STATE OF OREGON
County of Klamath ss.

I certify that the within instrument was received for record on the 14th day of November, 1978, at 3:23 o'clock P. M., and recorded in book M78 on page 25670.
Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Mfine County Clerk
By Bernadette Shelsch 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: 11-14-78

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