

THIS TRUST DEED, made this 9th day of February 1979, between

KENNETH L. ALLRED and ESTHER E. ALLRED, 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 that 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 following described real property situated in Klamath County, Oregon:

FRONT 10 FT EAST SIDE OF LOT 1

Lot 1 and the Easterly 10 feet of Lot 2 in Block 31 of the City of Medford, according to the official plat thereof on file in the office of the County Clerk of Klamath County, 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 in anywise appertaining 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 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, lies 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

\$23,600.00 (Twenty Three Thousand Six 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 \$216.88 commencing March 25th 1979

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 more than one note, the beneficiary may credit 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 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 precedence 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 promptly and in good workmanlike manner any building or improvement on said property which may be damaged or destroyed and pay, when due, all costs incurred therefor; to allow the 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; not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair and to commit or suffer no waste of said premises; to keep all buildings, property and improvements 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 a sum not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary; and to deliver the original policy of insurance in correct form and with approved loss payable clauses in favor of the beneficiary, attached and with premium paid, to the principal place of business of the beneficiary at least fifteen days prior to the effective date of any such policy of insurance. If said policy of insurance is not so tendered, the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus obtained. The beneficiary shall have the right to require the grantor to obtain and maintain such insurance as the beneficiary may deem necessary and advisable. The grantor shall be responsible for the prompt payment of all taxes, assessments, and governmental charges levied or assessed against the above described property, 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) on the terms of the note or obligation secured hereby on the date installments on principal and interest are payable an amount equal to 1/12 of the taxes, assessments and other charges levied or assessed against said property within each succeeding 12 months and also 1/12 of the insurance premium payable with respect to said property within each succeeding three years while this Trust Deed is in effect. An estimated and directed by the beneficiary, the beneficiary shall pay to the grantor interest on said amounts at a rate not less than the highest rate authorized to be paid by banks on their open passbook accounts minus 8/14 of 1 percent, if such rate is less than 4 1/2%, the rate of interest paid shall be 4 1/2%. Interest shall be computed on the average monthly balance in the account and shall be paid quarterly to the grantor by crediting to the escrow account the amount of the interest due. The beneficiary may, at any time, require the grantor to pay to the beneficiary 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 accrue interest and also to pay premiums on all 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 on the statements 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 representatives 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 written or for 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, to compromise and settle with any insurance company 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 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 indebtedness. If any authorized 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 to 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 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 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, 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:

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 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 recording (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 of other agreement affecting this deed or the lien or charge hereon; (d) recover, without warranty, all or any part of the property. The trustee 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 default shall occur 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 or by agent or by receiver to be appointed by a court, and without regard to the accuracy 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.

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 trustee 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 sale of the property, 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 trustee's sale, 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 as such time and place of sale, and from time to time thereafter, may postpone the sale by public announcement.

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

On this the 9th day of February, 1979

Norman D. Ensminger, D.D.S.

who, being duly sworn (or affirmed), did say that he is the attorney in fact for Kenneth L. Allred and Esther E. Allred

that he executed the foregoing instrument by authority of and in behalf of said principal, and he acknowledged said instrument to be the act and deed of said principal.

(Official Seal)

My commission expires 8-5-79

Notary Public for Oregon

(Title of Officer)

State of Oregon, County of Klamath ss.

I hereby certify that the within instrument was received and filed for record on the 9th day of Feb 79 at 11:25 o'clock A.M. and recorded on Page 3252 in Book M-79 Records of Mortgage of said County.

WM. D. MILNE, County Clerk

By Hazel Dugan, Deputy

Fee \$6.00

REQUEST FOR INFORMATION TO BE USED ONLY WHEN OBLIGATIONS HAVE BEEN PAID

TO: William Sismore, 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 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

Klamath First Federal Savings & Loan Association, Beneficiary

DATED: 1979

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