Vol.^M79 Page **9361** Loan #04-41791 T/A #38-18419 TRUST DEED 66186

ALAN .P., BAILEY AND KARLA .D., BAILEY, Husband and Wife

KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of the United States, as beneficiary; et cloratet fa ies and metablication of the second terms of the second second second second second second second second second

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:

> To be used all when shirtsheet here been reid Lot 11, Block 12 FIRST ADDITION TO GATEWOOD, in the County of Klamath, State of Oregon.



Which said described real property is not currently used for agricultural, timber or grazing purposes,

Degether, with all and singular the appurtenances, tenements, hereditaments, rents, issues, profits, water rights, easements or privileges now or Rereafter belonging to, derived from or in anywise appertaining to the above described premises, and all plumbing, lighting, heating, venticatating, air-conditioning, refrigerating, watering and irrigation apparatus, squipment 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

This trust deed shall further secure the payment of such additional money, if any, as may be loaned bernafter by the beneficiary to the grantor or others having an Bakrest in the above described property, as may be evidenced by more or mote. If the idebidences secured by this trust deed is evidenced by more than one note, the beneficiary may credit payments received by it upon any of such notes. or part, of any payment on one note and part on another, as the beneficiary may elect.

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The prandor hereby covenants to and with the trustee and the beneficiary berin that the said premises and property conveyed by this trust deed are tree and clear of all encumbrances and that the granter will and his heirs, executors and administrators shall warrant and defend his said title thereto against the claims of all persons whomsoever.

securitors and administrators shall warrant and defend his said title thereto against the claims of all persons whomeoerer. The granice covenants and agrees to pay said notes according to this terms thereof and, when due, slit cares, assessments and other charges leviced spainst in property ito keep said property free is mail neumbrances having pre-cedence over this trust deed; to complete sil buildings in nournes of construction or hereafter constructed on said premises within six months from the date person the date construction is hermatier commenced; to repair and restore promptly and in good workmainsed or destroyed and pay, when due, all costs incurred theretor; to to replace any work or materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary of such fact; not bornali or destroy any building or improvements now or hereafter excised upon said property in good repair and improvements on the caste or said property in good repair and improvements on the existic recised upon said property in good repair and to commit or suffer new or hereafter erected on said premises; to keep all buildings from time to this results 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 according to the bene-tifier, not be deliver the original principal sum of the hereficiary at least apported loss payable clause in favor of the beneficiary raw to principal and with this days prior to the effective date of any auch policy of insurance. The discretion obligation is not so tendered, the beneficiary raw is its the apport loss payable clause in favor of the beneficiary raw is its some adjecretion obtain insurance for the beneficiary raw is its some adjecretion obtain insurance of the beneficiary raw is its some adjecretion obtain insurance of the beneficiary raw is its some discretion obtain insurance of or the beneficiary for insurance of the policy thus adjecretion obtain the surences of proriding results for th

obtained. That for the purpose of providing regularly for the prompt payment of all fares, assessments, and governmental charges level or assessed against the above described pro-perty and insurance prenum while the indubtedness secured hereby is in ercess of 80 % of the lesser of the original purchase price paid by the grantor at the time the loan made or the beneficiary's original appraisal ratue of the property at the time the loan reas 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 an amount equal to 1/12within seek sections, and other charges due and payable will respect to asid properly within seek sections at a mate nine is if the one while this principal as respect to asid property within each uncessful three yeas while this principal as respect to asid amounts at a rate not tess than the highest researches of the pay bashs on their open passbock accounts minus 3/4 of 1%. If use trate is less than 4%, the secret paid of the second the day is computed on the arrange monthly balances in the account and shall be paid quarterly to the grantor by crediting to the second 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 be ar-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 intermets thereof unreading by the collector of such taxes, assessments and the required from the formation of in the samounts show on the statements submitted by the images carties are all resolutions in the samounts show on the statements authority by the intermatic thereof unreaded phile resonables for failure to have any insurance written of for any loss or diage structure out of a defect in any insurance policy, and the beneficiary beredy and to apply and to apply and to say bay in the samounts erecipts upon the obligations accured by the insurance exception upon the obligations accured by the insurance for and to apply and 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 indebicedness. If any authorized reserve account for taxes, assessment, 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 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 lime of this trust doed. In this connection, the beneficiary shall have the right in its discretion to comb 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.

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, fres and expenses of this trust, including the cost of tills search, as well as in coloring this obligation, and trustees and attorney's fees actually incurred; in enforcing this obligation, and trustees and attorney's fees actually incurred; ity hereof of the right or powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of widence of tills and attorney's fees a final which the beneficiary or trustees may appear and in any suit brought by bene-ficiary to forcelose this deed, and all said sums shall be secured by the trust

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 sincl be taken under the right of eminent domain or condemnation, the beneficiary shail 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 its o elects, to require that all or any portion of the mnoery payable as compensation for such taking, which are in excess of the amount fred or incurred by the grantor in such proceedings, shall be paid to the differency inter the pay all reasonable costs and exponses of the differency and applied by it first upon any reasonable costs and expenses and stormery's less necessarily paid or incurred by the beneficiary in such proceedings, at its own expense, to take such actions and execute which instruments as streat, at its own expense, to take such actions and execute which instruments as are are applied upon the indebtance and execute which instruments as are at its own expense, to take such actions and execute which instruments as a the necessary in obtaining such compensation, promptly upon the beneficiary's request.

request. 2. At any time and from time to time upon written request of the beneficiary's ficiary, payment of its fees and presentation of this deed and the note for en-dorsemust (in case of full reconveyance, for cancellation), without affecting the hability of any period for the payment of the indebtedness, the tructes may fee may essentiate of the second presentation of this deed and the note for en-there are any end of the second presentation of the indebtedness, the tructes may fee onsents to the making of any map or plat of sail property (b) ion in agr subordination or other arrestment affecting this deed or the lien or charge hereof; (d) reconvey, without warranty, all or any pars of the property. The grantes in any reconvey, and the rectails therein of any maiters or facts shall be conclusive proof of the truthfulness thereof. Trustec's fees for any of the services in this paragraph shall be \$5.00.

truthfulness thereof. If usive i need to any of the status in a line parameter shall be \$3.00. 9. As additional security, grantor hereby assigns to beneficiary during the continuance of these truts all retus, issues, royatics and profits of the pro-grantom shall default in the payment of any indebtedness secured hereby or in parator shall default in the payment of any indebtedness secured hereby or in the tail users in the status and the profits earned prior to default as they issues that the status, organizes and profits earned prior to default as they exceed use and payable. Upon any default by the grantor hereunder, the hene-cliciary may at any time without notice, sither is person, by agent or by a re-server to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, state upon and take possession of said property, or any part thereof, in its own name sue for a state spoty the same, less costs and orpfits, including those past due and subwells collect able attorney's fees, upon any indebtedness soured hereby, and in such order as the beneficiary may determine.

a. After the labe of such time as may then be require the recordation of said notice of default and giving of said trastes shall sell said property at the time and place fixed b of said, either as a whole or in separate parcels, and in such termine, at public anotion to the highest bidder for cash, in United States, payable at the time of, said. Trustee may po- any portion of said property by public amountement at sur- sale and from time to time thereafter may postpose the	lawful money of the stpone sale of all or time and place of	12. This deed hereto, their heirs, assigns. The term pledgee, of the no herein. In construir cuine gender include cludes the plural.	applies to, inures to legaters devisers, adm "beneficiary" shall me to secured hereby, whe ig this deed and whene les the feminine and/or	the benefit of, and bind inistrators, executors, as san the holder and own ther or not named as ver the context so requi- r neuter, and the singula	is all parties uccessors and ner, including a beneficiary ires, the mas- ar number in-
IN WITNESS WHEREOF, said grantor	has bereunto a	set his hand and	d seal the day a	nd vear first abov	o written
		ak	_ P.Ba	Leg	(SEAL)
		Kar	la U. 7	Bailey	(CE AL)
STATE OF OREGON County of Klamath				Jung	(SEAL)
THIS IS TO CERTIFY that on this 24- do	y of Apri	1	, <u>19_79</u>	, before me, the und	dersigned, a
Notary Public in and for soid county and state, p 			l		
to me plasonally known to be the identical individua	zi. S named in and	i who executed the	foregoing instrumen	it and acknowledged	to me that
they executed the same freely and voluntarily					
* IN PENIMONY WHEREOF, I have hersunto set	my hand and affin	red my notarial sec	i the day and year	last above written.	
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Grantor	1	KCORDING		rigages of said Co	
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KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION		JEU,)		hand and seal of	County
Beneficiary			affixed.		
After Recording Return To:			Win D.	Milne	
KLAMATH FIRST FEDERAL SAVINGS	1		<u> </u>	1 Pounty	Clerk
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The undersigned is the legal owner and holder a	f all indebtedness :	ecured by the foreg	oing trust deed. All	sums secured by sole	d trust deed
have been fully paid and satisfied. You hereby are a pursuant to statute, to cancel all evidences of indebte	dness secured by a	t to you of any sun aid trust deed (whi	is owing to you unde ich are delivered to	or the terms of said tr you herewith togethe	ust deed or or with said
trust deed) and to reconvey, without warranty, to th	e parties designate	d by the terms of a	aid trust deed the es	tate now held by you	u under the
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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 pol-letes or compensation or awards for any taking or damage of the property, and the application or release thereon, as aloresaid, shall not cure or wairs any fault or notice of default hereunder or invalidate any act done pursuant to such notice.

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5. The grantor shall notify beneficiary in writing of any sale or con-tract 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 ioan applicant and shall pay beneficiary a service charge.

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 due to the point of the secure of the

required by law. 7. After default and any time prior to five days before the date set by the Trustee for the Truste's sale, the grantor or other person so privileged may pay the entire amount then due under this trust deed and the obligations secure thereby (including costs and expeases actually incurred in enforcing the terms of the obligation and truste's and attorney's fees sol enceding \$50.00 each) other than such portion of the principal sweat sol there be due had no default occurred and thereby cure the default.

uired by law followin A After the lance of such tim then he the of the second se

nouncement 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 pro-perty so cold, 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 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.

acto 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 name herein, or to any successor trustee appointed hereinder. Upon such appointment and without con-rest of the successor in the successor is a successor in the successor in the successor and duties conferred upon any trustee here name herein with all the, powers and duties conferred upon any trustee here name herein the successor such appointment and substitution shall be made by appointed hereinder. Kack such appointment and substitution shall be made by the beneficiary, containing reference to this trust deed undits piece 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 acknow-ledged 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.

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