

THIS TRUST DEED, made this 30th day of October, 1979, between RICHARD P. BRIGHT AND JESSLYN KAY BRIGHT, Husband and Wife

as grantor, William Sisemore, as trustee, and 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 West one-half of the following property in the County of Klamath, State of Oregon:

Beginning at a point which lies North 10° 14' West a distance of 680.3 feet and South 89° 26' West a distance of 330.0 feet from the iron pin which marks the section corner common to Sections 2, 3, 10, and 11, Township 39 South, Range 9 East of the Willamette Meridian and running thence: Continuing South 89° 26' West a distance of 100 feet to an iron pin; thence North 10° 14' West a distance of 144.2 feet to an iron pin; thence North 89° 24' East a distance of 144.2 feet, more or less to the point of beginning, being in the S 1/2 S 1/2 SE 1/4 of Section 3, Township 39 South, Range 9 East of the Willamette Meridian.

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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 lawnings, 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 hereafter acquire, for the purpose of securing performance of each agreement of the grantor herein contained and the payment of the sum of EIGHTEEN THOUSAND, FIVE (\$18,500.00) 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 \$177.05 commencing December 30, 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 the said premises and property conveyed by this trust deed, less the encumbrances 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 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 hereof or the date construction is hereafter commenced to repair and restore said property which may be damaged or destroyed and pay, when due, all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactory to 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 premises in good repair and to commit or suffer now or hereafter erected on said premises, continuously insured against loss by fire or 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 in favor of the beneficiary at least one approved loss payable clause in favor of the beneficiary of insurance; if fifteen days prior to the effective date of any such policy of insurance at least one 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-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 property and insurance premium while the indebtedness secured hereby is in excess of 80% 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 time the loan 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 1/12 within each succeeding 12 months and also 1/30 of the insurance premium payable with respect to said property within each succeeding 12 months while this trust deed is in effect as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor interest on said amounts at a rate not less than the highest rate authorized to be paid by the grantor 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 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 premium on all insurance policies upon said property, such payments are to be made through the beneficiary as grantor hereby authorizes the beneficiary to pay any and all taxes, assessments and other charges levied or assessed 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 representives and to withdraw the sums which may be required from the reserve account, if any, established for that purpose. The grantor agrees to be required from the reserve account, if any, established for that purpose. The grantor agrees to be required from the reserve account, if any, established for that purpose. The grantor agrees to be required from the reserve account, if any, established for that purpose.

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 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 enforcing this obligation, and trustee's and attorney's fees actually incurred; to appear and defend any action or proceeding purporting to affect the security, and to pay all reasonable sums 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 the beneficiary shall have the right to inspect the books and records of the grantor and to demand and receive from the grantor a true and correct copy of the same.

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 and applied by the grantor in such proceedings, shall be paid to the beneficiary fees necessarily paid or incurred by the beneficiary in such proceedings, and the beneficiary's own expense to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the beneficiary's request.

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 cancellation (in case of full recovery) for the grantor, the trustee may (a) consent to the making of any map or plat of said property; (b) join in granting or other agreement affecting this deed or the lien or charge hereof; (c) 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 and constitute proof of the truth thereof. Trustee's fees for any of the services in this paragraph shall be \$500.00.

As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property, if any, payable by this deed and of any personal property located thereon. Until the performance of any agreement hereunder, the trustee may in its discretion, but not to exceed the amount of the indebtedness secured hereby, or in lieu of all such rents, issues, royalties and profits, shall have the right to collect, become due and payable. Upon any default by the grantor hereunder, as they may 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 the rents, issues and profits, including those past due and otherwise collect the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

