

THIS TRUST DEED, made this 30th day of October

19 79... between

RICHARD P. BRIGHT AND JESSIE LYN KAY BRIGHT, 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:

The West one-half of the following property in the County of Klamath, State of Oregon:

NEONEL LOW KOTT NECONALVACE

Beginning at a point which lies North 1° 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 1° 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.

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 HUNDRED AND NO/100 (\$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 10 19 79.

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 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 precedence over this trust deed; to complete all buildings in course of construction 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 hereof; 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 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 the original policy of insurance attached and with approved loss payable clause in favor of the beneficiary; and with 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-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% 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 payment 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 1/12 within each succeeding 12 months and also 1/30 of the insurance premium payable in effect as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor by bank or their open passbook accounts minus 8 1/4 of 1%. If such rate is less than 4% the rate of interest shall be 4%. Interest shall be computed on the average monthly balance in the account and shall be paid quarterly to the grantor by crediting said account with 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 payments are to be made through the beneficiary. The 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 representatives and to withdraw the sums which may be required from the reserve account, if any, established for that purpose. The grantor agrees and authorizes 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.

If 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, including said property; to pay all costs, fees and expenses of this trust, including the costs of title search, as well as the other costs and expenses of the trustee incurred in connection with or for enforcing this obligation; and trustee's and attorney's fees actually incurred; its heretofore or the rights or powers of the beneficiary or trustee; and to pay all 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 the beneficiary shall have the right to commence, prosecute, defend, settle, compromise or otherwise dispose of any action or proceeding affecting this deed or the lien or charge hereof, 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 required to pay all reasonable costs, expenses and attorney's fees necessarily paid 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 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 cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) take possession of the property, (b) join in any subordination or other agreement affecting this deed or the lien or charge hereof, (c) reconvey, and 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.

As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property infected by this deed and of any personal property located thereon. Until the performance of any agreement hereunder for grantor shall have the right to collect all such rents, issues, royalties and profits earned by the property, but shall become due and payable upon any default by the grantor hereunder as they fall due at any time without notice, either in person, by agent or by receiver, crier to be appointed by the court, and without regard to the adequacy of any security for the indebtedness, and the beneficiary may enter upon and take possession of the property, and the beneficiary may determine.

The entering upon and taking possession of said property, the collection of such rents, issues and profits of the proceeds of fire and other insurances, the application or award for the proceeds of fire and other insurances, and the release thereof, 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 conveyance of the above described property and furnish beneficiary with a true and correct copy of the deed or other instrument conveying the property, and 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 by the deed and election to sell the trust property, which 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 Trustee's sale, the grantor or other person so privileged may pay the entire amount then due under this trust deed and in enforcing the terms of the obligation and expenses actually incurred 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 deem proper, 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 sale including the compensation of the trustee, the expenses of the sale including the compensation of the trustee, and the reasonable charge by the attorney for the trustee, to the payment of the debt secured by the deed, and to the persons having recorded liens secured by the 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 county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

11. Trustee, accept this trust, when this deed, duly executed and acknowledged in 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, of the "beneficiary" shall mean the holder and owner, including pledgee, of the "beneficiary" 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

Richard P. Bright (SEAL)
Jesslyn Kay Bright (SEAL)
Richard P. Bright (SEAL)

THIS IS TO CERTIFY that on this 30th day of October, 1979, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named RICHARD P. BRIGHT AND JESSLYN KAY BRIGHT, husband and wife, to me personally known to be the identical individual 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 TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Richard P. Bright
Jesslyn Kay Bright
Richard P. Bright

Notary Public for Oregon
My commission expires: 11-12-82

TRUST DEED

GRANTOR TO: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

BENEFICIARY: KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

STATE OF OREGON
County of Klamath } ss. _____

I certify that the within instrument was received for record on the 31st day of October, 1979, at 11:13 o'clock A.M. and recorded in book M79 on page 25691 Record of Mortgages of said County.

Witness my hand and seal of County of Klamath, this 30th day of October, 1979.

Wm. D. Milne
County Clerk

By *Shirley A. Peterson*
Deputy

Fee \$7.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

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 Klamath First Federal Savings and Loan Association.

DATED: 1979 10-30

Richard P. Bright
Jesslyn Kay Bright

TRUST DEED

KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

TRUST DEED

KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION