

THIS TRUST DEED, made this 2 day of February, 1979, between

William R. Ore and Vickie M. Ore, husband and wife, 11-15-59, 1961, 1964

Grantor, Klamath First Federal Savings and Loan Association, as Trustee, and
Lester H. Albers and Beulah E. Albers, husband and wife.

as Beneficiary.

WITNESSETH

Grantor irrevocably grants, bargains, sells and conveys, to trustee, in trust, with power of sale, the property in Klamath County, Oregon, described as: Lot 1, Block 1, Subdivision 1, Section 36, Township 36N, Range 12E, Meridian 1N, 6E

Tract 8, LANDIS PARK, in the County of Klamath, State of Oregon.

Subject, however, to the following:

1. Regulations, including levies, liens and utility assessments of the City of Klamath Falls.
2. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Klamath Irrigation District.
3. Regulations, including levies, liens, assessments, rights of way and easements of the South Suburban Sanitary District. (See attached Exhibit "A" and by this reference incorporated herein.)

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of One thousand five hundred and no/100—

note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid to be due and payable August 15 19 82 Dollars, with interest thereon according to the terms of a promissory

~~The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable.~~

The above described real property is not currently used for agricultural, timber or grazing purposes.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property in good condition and repair not to remove or demolish any building or improvement thereon, and to commit or permit any waste of said property.

2. To complete, or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the building now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than \$100,000.00, insurable value written in

an amount not less than \$1,000,000, and the following conditions shall apply to the policies of insurance: (a) the beneficiary, with loss payable to the insured, shall be named in the policy; (b) the beneficiary shall be delivered to the beneficiary at soon as the insured dies; (c) if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the grantor shall be deemed to have authorized the beneficiary to cause to be collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor, such application or release to grantor shall be subject to the approval of the beneficiary, and the beneficiary shall have the right to demand the transfer or invalidate any such release pursuant to such notice as the beneficiary shall deem appropriate.

6. To keep said premises free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, or by direct payment or in payment of the obligation with funds with which to make such payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof and for such payments, with interest thereon, as aforesaid, the grantor hereby agrees that it and its heirs, assigns and assigns shall be bound to the extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed, with interest thereon, with costs of collection.

6. To pay all costs, fees and expenses of the trust, including the cost of recording this deed and all other costs and expenses of the trust incurred in connection with or in enforcing this obligation; and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee may appear, including any suit to close the trust, to determine the validity of the will, to determine the validity of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be paid by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such costs and attorney's fees on appeal, including any costs attributable to the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to be paid to the grantor by the condemning authority's fee, necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it, first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the monies necessarily secured by beneficiary in such proceedings, and the balance of such actions and proceedings, such instruments as shall be necessary in obtaining such condemnation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyance, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

9. (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The foregoing covenants may be described as the "person or persons claiming under the said deed" and shall constitute the best evidence and be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent or by a receiver to be appointed by the court, enter upon and take possession of the property or the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue 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, to the indebtedness hereby secured, and in such order as beneficiary may determine.

11.11 The entering upon and taking possession of and property, the collection of such rents, issues and profits, the payment here 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to sell the held; thereafter the trustee shall, at the request of the beneficiary hereby, and hereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at 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 by the deed to foreclose shall be deemed to have agreed to pay to the beneficiary, in addition to the principal and interest then due, the following: (a) the cost of the advertisement and sale; (b) the entire amount then due under the terms of the trust deed, the obligation secured thereby (including costs and expenses actually incurred in connection with the foreclosure proceedings) and the interest thereon then accruing; and (c) the amounts provided by law) other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which event all foreclosure proceedings shall be dismissed by

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale, or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at the highest price obtainable. The trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truth of the same. Any person, other than the trustee, but including the attorney, barrister or solicitor, appearing at the sale, shall be deemed to have authorized the trustee to execute the deed in conformity with the foregoing provisions of this article.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney; (2) to the satisfaction of the claims of all persons entitled to all or part of the proceeds of the sale subsequent to the interest of the decedent in the trust used as their interest may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. For any season permitted by law, 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, interest, powers, duties and responsibilities of the trustee appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by 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,

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. 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 grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

under the right of eminent domain, to require that all or any portion of the monies 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 grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note, for endorsement in case of full reconveyance, (or cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. 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 grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

NOTES: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

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The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto EXCEPT a prior Trust Deed dated Nov. 2, 1979, recorded Nov. 23, 1979, in M79, page 27390, between William R. Ore and Vickie M. Ore, husband and wife, as Grantors, to Klamath First Federal Savings and Loan Association, and that he will warrant and forever defend the same against all persons whomsoever as Beneficiary.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:

(a) primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below);

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract 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 the neuter, and the singular number includes the plural.

IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year first above written.

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable. If warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures for this purpose. If this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent. If this instrument is NOT to be a FIRST lien, or is not to finance the purchase of a dwelling, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice. (If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON, County of Klamath, ss. I, Susan K. Kavanagh, Notary Public for Oregon, do hereby certify that on November 27, 1979, William R. Ore and Vickie M. Ore, husband and wife, personally appeared the above named William R. Ore and Vickie M. Ore, and they acknowledged the foregoing instrument to be their voluntary act and deed.

Before me, Susan K. Kavanagh, Notary Public for Oregon, My commission expires 12/28/81.

It is hereby agreed by and between the parties hereto that in a default of the Trust Deed to Klamath First Federal Savings and Loan Association by the Grantors herein shall constitute a default on this Second Trust Deed.

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, 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. Mail reconveyance documents to the parties designated by the terms of said trust deed.

NOTARY PUBLIC FOR OREGON

OFFICIAL SEAL

4. Building set back lines established by the dedication and plat of Landis Park, 25 feet on Clinton Avenue.
5. Restrictions, but omitting restrictions, if any, based on race, color, religion or national origin, as shown on the recorded plat of Landis Park.
6. Terms and provisions of the approval by Klamath Irrigation District as disclosed by the Plat of Landis Park.

STATE OF OREGON, COUNTY OF KLAMATH, ss.

Filed for record at request of Transamerica Title Co.

this 27th day of November A. D. 1979 at 4:09 o'clock P.M., and

fully recorded in Vol. M79, of Mortgages on Page 27558

Wm D. MILNE, County Clerk

By Bernice Heltsch

Fee \$10.50

EXHIBIT "A"