

TRUST DEED

THIS TRUST DEED, made this 4th day of May 1984 between  
ODEN R. BERNARD and RITA J. BERNARD,  
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:

Starting at the Southeast corner of Section 36, Township 39 South, Range 9 East of the Willamette Meridian; thence North 0° 14' East 33.5 feet; thence North 89° 52' West 702.5 feet to the true point of beginning; thence continuing North 89° 52' West 146.0 feet; thence North 0° 14' East 575.1 feet; thence South 89° 57' East 146.0 feet; thence South 0° 14' West 575.32 feet to the true point of beginning.

Grantor's performance under this trust deed and the note it secures may not be assigned to or be assumed by another party. In the event of an attempted assignment or assumption, the entire unpaid balance shall become immediately due and payable.

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 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 NINE THOUSAND NINE HUNDRED FIFTY (\$ 9,953.00 ) Dollars, with interest thereon according to the terms of a promissory note, bearing date of June 15th, 1984, payable to the beneficiary of order and made by the grantor, principal and interest being payable in monthly installments of \$ 139.30, commencing

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 a note or notes, the beneficiary may credit payments received by it upon any of said notes with 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 and charges 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 progress or hereafter constructed on the premises within six months after the date hereof or the date construction is hereafter commenced; to repair and to pay for the cost of the date construction is hereafter commenced; to repair and to pay for the cost of repairs incurred thereon, to allow beneficiary to inspect and, when due, all costs during construction, to replace any work or materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary at all times, not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings, proper to commit or suffer by fire or such other hazards as said premises continuously insured against loss or damage, 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 cause the original policy of insurance acceptable to the beneficiary, and to the principal place of business of the beneficiary, to be attached and with fifteen days prior to the expiration of any such policy of insurance, at least approved loss payable to the beneficiary, to be attached and with fifteen days prior to the expiration of any such policy of insurance, at least discretion to obtain insurance for the benefit of the beneficiary may in its own discretion, to 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.

In order to provide regularly for the prompt payment of said taxes, assessments or other charges and insurance premiums, the grantor agrees to pay to the beneficiary, together with and in addition to the monthly payments of hereby, an amount equal to one-twelfth (1/12th) of the net or gross amount of other charges due and payable with respect to said property within each succeeding two months, and also one-thirty-sixth (1/36th) of the insurance premiums payable with respect to said property within each succeeding three years while the principal of the loan shall remain unpaid. The principal of the loan and the interest thereon shall be paid by the beneficiary at the option of the beneficiary, the sums so paid shall be held by the beneficiary in trust as a reserve account for the payment of interest, to pay said premiums, taxes, assessments or other charges when they shall become due and payable.

While the grantor is to pay any and all taxes, assessments and other charges levied or assessed against said property, or any part thereof, here the same shall 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, as aforesaid. The grantor hereby authorizes the beneficiary to pay by the collector of such taxes, assessments or other charges levied or imposed against said property in the amounts as shown by the statement thereof furnished to the insurance carriers or their representatives, and to charge said sums to the principal of the loan or to withdraw the same from the reserve account, in no event to hold the beneficiary responsible for that purpose. The grantor agrees in no way 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 proceeds upon the obligations secured by this trust deed, and 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 the reserve account for taxes, assessments, insurance premiums and other charges is not sufficient at any time for the payment of such charges as they come 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 notes, shall be repayable by the grantor on demand, and shall be secured by the lien of the notes in this connection, the beneficiary shall have the right in its discretion to make such improvements made on said premises and also to make such repairs to complete property as in its sole discretion it may deem necessary or advisable.

The grantor further agrees that

[illegible]

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 be taken the right to commence, prosecute in its own name, appear in or defend any action or proceedings, to make any compromise or settlement in or defend any action, such taking and, if it suits, to require that all or any portion of the money's payable as compensation for such taking, which are in excess of the money's 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 balance payable or incurred by the beneficiary in such proceedings, and then upon 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 endorsement (in case of full reconveyance) or this deed and the note for endorsement (in case of partial reconveyance), for cancellation, without affecting the validity of any person for the payment of the said debt, the trustee shall execute the making of any map or plan of the land, the trust in, or the interest in, or other agreement creating or restricting thereon, the trust in, or the interest in, or without warranty, all or any part of the property, the grant in any subordination shall be described as a part of the property. The grant hereof; (d) reconveyance thereof of any portion of the property or persons legally entitled thereto; and (e) the facts shall be conclusive evidence of the fact that the property shall be so reconveyed.

3. As additional security, the trustee shall pay to the beneficiary not less than \$500.00.

As additional security, grantor hereby assigns to beneficiary during the continuance of this lease, all rights, interests and profits of the property affected by these trusts: all rents, issues, royalties and profits of the property, including the proceeds of the sale of the property, and the proceeds of the performance of any agreement for payment of any indebtedness secured hereon. Until all such rents, issues, royalties and profits hereunder, grantor shall have received in full, and all such rents, issues, royalties and profits earned prior to default, as they may become due and payable. Upon any default by the grantor hereunder, as they may become due and payable, the beneficiary shall have the right to collect the same, and to apply the same to the payment of the indebtedness secured hereby, without the necessity of a court, and without the aid of any person, by agent or by attorney, and the beneficiary shall have the right to take possession of the property, and of all property, or any part thereof, hereby secured, under upon and the adequacy of any rents, issues and profits, including its own name sue for and take possession of the same, and the proceeds of the sale of the property, and the proceeds of the performance of any agreement for payment of any indebtedness secured hereon, and the proceeds of the sale of the property, and the proceeds of the performance of any agreement for payment of any indebtedness secured hereon, and the proceeds of the sale of the property, and the proceeds of the performance of any agreement for payment of any indebtedness secured hereon, and the proceeds of the sale of the property, and the proceeds of the performance of any agreement for payment of any indebtedness secured hereby, and in such order as the beneficiary may determine.

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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 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, 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 \$500.00 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 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 at such time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. The trustee shall deliver to the purchaser his deed in form as required by law covering the property so sold, 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 order of the trustee in the trust deed as their interests appear in 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 such appointment and substitution shall be made by written instrument executed by the 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 county or counties in which the property is situated, shall be conclusive proof of the proper appointment of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged 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.

12. This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including pledgee, of the note 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 } ss

THIS IS TO CERTIFY that on this 4th day of May

Notary Public in and for said county and state, personally appeared the within named Oden R. Bernard and Rita J. Bernard

to me personally known to be the identical individual S 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.

(SEAL)

Wm A. Page  
Notary Public for Oregon  
My commission expires: 4/24/85

Loan No. 39-01121

## TRUST DEED

TO Grantor  
**KLAMATH FIRST FEDERAL SAVINGS  
AND LOAN ASSOCIATION**

Beneficiary

After Recording Return To:  
**KLAMATH FIRST FEDERAL SAVINGS  
AND LOAN ASSOCIATION  
540 Main St.  
Klamath Falls, Oregon 97601**

(DON'T USE THIS  
SPACE; RESERVED  
FOR RECORDING  
LABEL IN COUN-  
TIES WHERE  
USED.)

Fee: \$8.00

STATE OF OREGON

County of AKlamath } ss.

I certify that the within instrument was received for record on the 8th day of May, 19 84, at 2:44 o'clock P.M., and recorded in book M84 on page 7693 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk  
County Clerk

By Rm Smith  
Deputy

### REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Sisernore, 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 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 same.

Klamath First Federal Savings & Loan Association Beneficiary

DATED: \_\_\_\_\_, 19\_\_\_\_ by \_\_\_\_\_