

THIS TRUST DEED, made this 16th day of October 1985, between Frederick L. Zwartverwer and Merlaine S. Zwartverwer

Grantor's performance under this trust deed and the note is secured by the property described in the foregoing and the same 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.

This trust deed shall further secure the payment of such additional money, if any, as may be owed hereafter by the beneficiary to the grantor or other interest in the above described property, as may be evidenced by a having, or notes. If the indebtedness secured by this trust deed is evidenced by a having, or notes, the beneficiary may credit payments received by it upon 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 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.

[illegible]

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 the principal and interest payable under the terms of the note or obligation secured hereby, an amount equal to one-twelfth (1/12th) of the taxes, assessments and other charges due and payable with respect to said property within each of the twelve months, and payable with respect to said property within each of the three years while said trust deed remains in effect, as estimated and directed by the beneficiary, such sums to be credited to the principal of the loan until required for the payment of the taxes, assessments or other charges thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sums so paid shall be applied to the payment of the taxes, assessments or other charges when they shall become due and payable.

While the grantor is to pay any and all taxes, assessments and before charges levied or assessed against said property, or any part thereof, the charges levied or assessed against said property, or any part thereof, 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 any and all taxes, assessments and other charges levied or imposed against said property in the amounts shown by the statements thereof furnished by the collector of such taxes, assessments or other charges to the insurance carriers or their representatives, and to charge said sums to the principal of the loan or to the reserve account, and to have any insurance policy, and the beneficiary responsible for failure of any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to compromise or settle with any insurance company and to apply any insurance receipts upon the indebtedness 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 premiums. If the reserve account for taxes, assessments, insurance and other charges and other charges is not sufficient at any time for the payment of such charges and other charges, the grantor shall pay the deficit of the beneficiary upon demand, and if not paid within ten days after 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 be drawn 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 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:

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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 have the right to determine, prosecute in its own name, appear in and defend any such proceedings, or to make any compromise or settlement of any portion of the money such taking and, if it so elects, to require which are in excess of the amount repayable as compensation for such taking, which are in excess of the amount repayable to pay all reasonable expenses and attorney's fees necessarily paid or incurred by the grantor in such proceedings, shall be paid to the beneficiary and applied by the beneficiary upon any reasonable costs and expenses and attorney's fees actually paid or incurred by the beneficiary in such proceedings, and the fees and balance applied upon the indebtedness secured hereby; and the grantor agrees, at its own expense, to take such action to 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 prance, for cancellation), without affecting the endorsement (in case of recovery of cancellation of the indebtedness, the trustee's liability of any of the money for the payment of the indebtedness, the trustee's liability of the making of any map or plat of said property; (b) join in granting consentancy in the making of any map or plat of said property; (c) join in subordinating or release or creating and restriction thereon, (c) join in any subordination or other agreement affecting this deed or the lien or charge hereof; (d) recover, without warranty, all or any part of the person or persons legally entitled thereto; and any agreement may be described in any matters or facts shall be conclusive proof of the recitals thereof. Trustee's fees for any of the services in this paragraph truthfulness in any manner not less than \$5.00.

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 non payment or cancellation), without affecting the liability of the person for the payment of the indebtedness, the trustee shall join in granting or making of any map or plat of said property and shall join in any subdivision or creating and restoring the lien or charge hereof; (d) recovery, or any other agreement as to the property. The grantee shall be deemed to have accepted and agreed to the terms and conditions of the deed and the note and any may be described as the "person or persons" who shall be conclusive proof of the truthfulness thereof and the trustee's fees for any of the services in this paragraph shall not be less than \$5.00.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of these trusts all rents, issues, royalties and profits of the property affected by this deed and of any person or persons located thereon. Until grantor shall default in the payment hereunder, grantor shall have the right to collect the performance of the trusts hereunder, and all issues, royalties and profits earned prior to the default of grantor hereunder. After the default of grantor hereunder, the beneficiary shall have the right to collect all issues, royalties and profits earned prior to the default of grantor hereunder, and the beneficiary may at any time without notice, either in person or by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness thereof, in its own name sue for or otherwise collect said property, or the issues, royalties and profits thereof, and to sue and apply the same, its issues, royalties and profits, including those past due and unpaid, to the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon 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 purchase 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 Trustee's 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 ~~more than~~ 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 an-

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 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 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.

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 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 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.

Frederick L. Zwartverwer (SEAL)
Frederick L. Zwartverwer
Merlaine S. Zwartverwer (SEAL)
Merlaine S. Zwartverwer

STATE OF OREGON
County of Klamath } ss

THIS IS TO CERTIFY that on this 16th day of October, 19 85, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named Frederick L. Zwartverwer and Merlaine S. Zwartverwer

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)

Charlene J. Tucker
Notary Public for Oregon
My commission expires: 6-16-88

Loan No. 39-01220

TRUST DEED

Frederick L. Zwartverwer

Merlaine S. Zwartverwer

Grantor

TO

**KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION**

Beneficiary

After Recording Return To:

**KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION**

P. O. Box 5270, KFO 97601

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 17th day of October, 19 85, at 11:43 o'clock A. M., and recorded in book M85 on page 16884.
Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

County Clerk

By *Pam Smith*

Deputy

Fee: \$9.00

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Sisemore, 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: 20085, 19 85

DEED

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