

THIS TRUST DEED, made this 1st day of November
James B. Surber, a single man

James B. Surber, a single man

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..... as grantor, William Sisemore, as trustee, and United States, as beneficiary. Klamath First Federal Savings and Loan Association, a corporation organized and existing under the laws of the State of Oregon, as trustee, and William Sisemore, as grantor, William Sisemore, as trustee, and United States, as beneficiary.

10. The grantor irrevocably grants, bargains, sells and conveys to the trustee, in trust, with power of sale, the property in
 11. Klamath County, Oregon, described as:

All the following described real property, situate in Klamath County, Oregon:
Lots 7 and 8, Block 22

Lots 7 and 8, Block 29, Second Addition to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon

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.

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 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 Twenty One hundred and No/100 (\$2,100.00) 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 \$ 187.81 commencing December 10 19 85

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 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 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.

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In order to provide regularly for the prompt payment of said taxes, assessments and other charges and the insurance premiums, the grantor agrees to pay to the beneficiary, together with and in addition to the monthly payments of principal and interest payable under the terms of the mortgage, the following: (1) the amount equal to one-twelfth (1/12th) of the taxes and obligations secured by other charges due with respect to said property within each month; and (2) one-twelfth (1/12th) of the insurance premiums payable with respect to said property within each month. The sum of the foregoing shall remain in effect, as estimated and directed three years while the mortgage remains in effect, and shall be paid by the grantor for the principal of the loan until required for the payment of the principal of the loan; or, at the option of the beneficiary, the sum shall be paid by the beneficiary in trust as a reserve account, without interest, for 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 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, as aforesaid. The grantor hereby authorizes the beneficiary to pay any and all taxes, assessments and charges levied or imposed against said property in the amounts as shown by the statements thereof furnished to the collector of such taxes, assessments or the statements thereof furnished to the beneficiary, and to pay the premiums in the amounts shown on the statements submitted by principal or their representatives, and to charge said taxes, assessments, premiums and charges to the reserve account, if any, and to withdraw the sums which may be required in so doing to hold the beneficiary harmless for the same. The grantor agrees in writing to hold the beneficiary harmless for the same. The grantor agrees to hold the beneficiary harmless for any loss or damage growing out of a defect in any insurance policy; and the beneficiary hereby is authorized to apply to any insurance company and settle with any insurance company and apply to any such insurance receipt for the obligations secured by this trust. 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 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 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.

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. In this connection, the beneficiary shall have the right in its discretion to compel 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 trust, and to defend in connection with or to appear in any action or proceeding purported to adversely affect or incurred by or on behalf of the beneficiary or trustee; and to pay all costs and expenses, including cost of title search, in any action or proceeding in which the sum to be fixed by the court, in any title and attorney's fees in which the grantor or trustee may appear and in any action or proceeding in which the sum to be fixed by the court, in any title and attorney's fees in a fiduciary to enforce this deed, and all said sums shall be secured by a bond.

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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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) and the note for partial reconveyance (in case of partial reconveyance), without affecting the consent to the making of the payment of the indebtedness by the trustee, the trustee may, at the option of the beneficiary, (a) execute and deliver to the beneficiary any assignment or creation of any trust or any easement or creation of any lien or any other agreement affecting this deed or any portion thereof, (b) join in any mortgage or deed or any other instrument, (c) join in any charge hereof, (d) reconvey, release, discharge, or otherwise dispose of all or any part of the property, the recitals warranty, all or any part of the property. The grant in this deed, the recitals therein, or the person or persons legally entitled to any reconveyance, release, discharge, or otherwise dispose of all or any part of the property, shall be conclusive proof of the truthfulness thereof. Trustee's fees for the services rendered in this paragraph shall be not less than \$5.00.

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any as above set of equal adaptation of the subject of the preceding article...
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 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.

seigniorment 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, as to the truthfulness thereof. Any person, excluding the trustee but including the grantor and the beneficiary, may purchase at the sale.

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 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.

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 designated in the obligations secured hereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not then due) shall, at the option of the grantor, pay the principal as would be due had no default occurred and thereby cure the default.

8. After the lapse of five days after the date set by the Trustee for the 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 advisable, 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 the sale of all or any portion of said property by public auction at any time and place of his choosing and from time to time thereafter, may postpone the sale by public auction at any time and place of his choosing.

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 by 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, assigns, 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.

James B. Surber (SEAL)

STATE OF OREGON
County of Klamath
Notary Public in and for said county and state, personally appeared James B. Surber to me personally known to be the identical individual named in and who executed the foregoing instrument and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein expressed.

James B. Surber (SEAL)

THIS IS TO CERTIFY that on this 1st day of November, 1985, before me, the undersigned, a Notary Public in and for said county and state, personally appeared James B. Surber to me personally known to be the identical individual named in and who executed the foregoing instrument and acknowledged to me that he executed the same freely and voluntarily for the uses and purposes therein expressed.

1985 before me, the undersigned, a Notary Public for Oregon My commission expires: 6-16-88

TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Dorlene J. Tucker

James B. Surber

Notary Public for Oregon My commission expires: 6-16-88

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