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TRUST DEED

Vol. MS8 Page 14638

THIS TRUST DEED, made this 11th day of August 1986, between
Allan L. Craigmiles and Jane A. Craigmiles, husband and wife
Klamath First Federal Savings and Loan Association, a corporation, as grantor, William Sisemore, et al.,
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:
Lot 17 in Block 2

Lot 17 in Block 3, TRACT NO. 1120, SECOND ADDITION TO EAST HILL ESTATES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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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 the performance of each agreement of the grantor herein contained and the payment of the sum of Seventeen thousand and No Hundred (\$ 17,500.00) 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 \$ 207.22 commencing September 20 19 86.

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, having an interest in the above described premises, and the payment of such note or notes, if there be any, together with interest thereon, according to the terms of the same, and the payment of the sum of \$ 207.22 commencing

This trust deed shall further secure the payment of such additional money, 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 any of said notes, the beneficiary may credit payments received by it upon any of said notes or part of any payment on one note and part or 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 with and insurance premiums, the grantor agrees to pay to the beneficiary, together with and in addition to the monthly payments to be made hereunder, an amount equal to one-twelfth (1/12th) of the total obligation secured by other charges due and payable with respect to said property with each succeeding twelve 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 trust deed remains in effect, an estimated amount of the said taxes, assessments and sums to be credited to the principal of the loan directed by the beneficiary, for the purposes thereof and shall thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sums so charged to the principal of the loan, the beneficiary, in trust as a reserve account, the sums so charged to the principal of the loan, taxes, assessments or other charges shall be held or paid.

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 on said property, 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 other charges levied or imposed against said property in the amounts as shown by the statements thereon furnished the collector of such taxes, assessments and other charges, and to pay the insurance premiums in the amounts shown on the statements submitted by the principal of the loan or their representatives, and to charge said sums to the principal of the loan or to withhold the sums which are required from the borrower to go on to become the beneficiary responsible for that purpose. The grantor agrees in and to compromise and defend the beneficiary heretofore or hereafter, in any insurance policy, and the beneficiary hereby is authorized, in the event any such insurance receipts upon with any insurance company and to apply any such receipts upon the amount of 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 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 his option add the amount of such deficit to the principal of the obligation secured hereby.

Should the grantor fail to pay the deficit to the principal of the obligation secured hereby, the beneficiary shall have the right to demand the same from the principal of the obligation secured hereby.

Should the grantor fail to keep any of the foregoing covenants, then the grantor on demand shall be secured in the note, shall be responsible therefor, and the beneficiary shall have the right in this trust deed by property as in its sole discretion it may deem necessary or advisable.

The grantor further agrees to comply with all laws, ordinances, regulations, fees and expenses of this trust, including the cost of title search, pay all costs, and to enforce this obligation and the trustee's cost incurred in connection with it to appear in and defend any action or proceeding purporting to affect the security or the rights or powers of the beneficiary or trustee, and to pay all costs and expenses, including cost of the beneficiary or trustee to defend the security, reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and to pay all costs and expenses in such action or proceeding.

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 have the right to commence, prosecute, defend, appeal, or in or defend any action or proceedings, 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 money so 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 the grantor in such proceedings, shall be paid to the beneficiary and applied upon the indebtedness secured hereby; and the grantor agrees at its own expense to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the request.

2. At any time and from time to time upon written request of the beneficiary, payment of its fees and affecting the liability of any person for endorsement (in case of full reconveyance, for cancellation), without of any map or plat of said property for the payment of the indebtedness, the trustee may (a) consent to the making in any subordination or other agreement affecting this deed or creating or restriction thereon, (c) without warranty, all or any part of the property. The grantee in any reconveyance 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 not 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 personal property located thereon. The performance of any agreement of any indebtedness secured hereby in respect of all such rents, issues, royalties and profits secured hereby shall become due and payable, upon any default by the grantor herein, to the beneficiary may at any time without notice, either by the grantor hereby or by a receiver to be appointed by a court, and without regard to the adequacy of the security for the indebtedness hereby secured, either upon and take possession of the said property, or any part thereof, in its own name, for or otherwise on behalf of the same, loans 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, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

4. The estate upon and taking possession of said property, the collection of such rents, issues and profits or the proceeds of the sale of the property, and the application of the proceeds 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 contract for sale of the above described property and furnish beneficiary on a form supplied by the grantor 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 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 the amount 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.

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.

nonconsent 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.

Allan L. Craigmiles (SEAL)
Allan L. Craigmiles
Jane A. Craigmiles (SEAL)
Jane A. Craigmiles

STATE OF OREGON
County of Klamath } ss

THIS IS TO CERTIFY that on this 11th day of August, 1986, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named Allan L. Craigmiles and Jane A. Craigmiles

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)
PUBLIC
NOTARY
STATE OF OREGON

Sealed At Age
Notary Public for Oregon
My commission expires: 8/24/89

Loan No. 39-01259

TRUST DEED

Allan L. Craigmiles

Jane A. Craigmiles

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**

Klamath Falls, Oregon 97601

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

Fee/ \$9.00

STATE OF OREGON

County of Klamath } ss.

I certify that the within instrument was received for record on the 18th day of August, 1986, at 10:15 o'clock AM., and recorded in book 186 on page 14638 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

County Clerk

By Ann Smith Deputy

Deputy

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

by _____

DATED: 1986

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