

THIS TRUST DEED, made this 14th day of August

Russell A. Dunn and Sandra M. Dunn, husband and wife, 19 86 between

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:

A portion of Lot 7, Block 41, HILLSIDE 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, more particularly described as follows:

Beginning at a point on the Southeastly line of Manzanita Street, 150 feet Easterly along the said Southeastly line of Manzanita Street from the North-west corner of Block 41, HILLSIDE ADDITION to the City of Klamath Falls; thence at right angles Southeastly 92 feet; thence at right angles Northeastly and parallel with said Manzanita Street 100 feet to the Southwest line of that certain 20 foot alley running through said Block 41; thence Southwesterly along said Southwesterly line of said alley 92 feet; thence Southwesterly 100 feet to the point of beginning, with bearings based on Survey No. 2941.

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 Nine Thousand and No/100**** (\$ 9,000.00) 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 \$ 106.57 commencing September 15 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 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 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 to see that the said premises and property conveyed by this trust deed are kept 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 whatsoever.

The grantor covenants and agrees to pay said note according 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 priority over this trust deed; to complete all buildings in course of construction or hereafter constructed on said premises within six months from the date hereof or the date construction is hereafter commenced; to repair and restore said property which may be damaged or destroyed and, when due, all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or material unsatisfactory to fact; not to remove or destroy any building or improvements now or hereafter constructed on said premises; to keep all buildings and improvements now or hereafter erected upon said property in good repair and to commit or suffer the same or hereafter erected on said premises to become damaged or destroyed by fire or such other hazards as the beneficiary may from time to time require, secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver the original policy of insurance in correct form and with approved loss payable clause in favor of the beneficiary, together with fifteen days prior to the effective date of any such policy of insurance. If the beneficiary obtains insurance for the benefit of the beneficiary, which insurance shall be non-cancelable 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 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 succeeding twelve months, and also one-twelfth (1/12th) of the insurance premiums payable with respect to said property within each succeeding three years while such sums to be credited to the principal of the loan until required for the loan; or, at the option of the beneficiary, the sums so paid shall be held by the beneficiary in trust as a reserve account, without 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, before such taxes, assessments or other charges are due, the grantor agrees to pay to the beneficiary, as aforesaid, the grantor hereby authorizes the beneficiary to pay said property in the amounts shown on the statements submitted by the collector of such taxes, assessments or other charges, and to pay the insurance premiums in the amounts shown on the statements submitted by the insurer's carriers or their representatives, and to charge said sums to the principal of the loan or to withdraw the sums which may be required from the reserve account, if any, established for that purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance policy, and the beneficiary hereby is authorized, in the event of any loss to the premises and with any insurance company and to apply any such sums as receipts upon 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 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 deed. In 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 trustee incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees actually incurred; to appear in and defend any action or proceeding purporting to affect the security of the rights or powers of the beneficiary or trustee; and to pay all reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and in any suit brought by beneficiary to foreclose this deed, and all said sums shall be secured by this trust deed.

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 in its own name, appear 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 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 and applied by the grantor in such proceedings, shall be paid to the beneficiary fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance 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 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, for cancellation), without affecting the liability of any person for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating and restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the lien or charge hereof; (d) reconvey without warranty, all or any part of the property. The grantor 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. Until the performance of any agreement hereunder, grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default, as they become due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the said property, or any part thereof, in its own name and for or otherwise collect 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, and profits or the proceeds of fire and other insurance, policies or compensation or awards for such taking or damage of the property, and the execution or release thereof, aforesaid, shall not curtail or waive any defense 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 as soon as possible 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 any grantor in payment of any indebtedness secured hereby, or in performance of any agreement hereunder, the beneficiary may declare all of the written notice of default, if any, shall be payable by delivery to the trustee of written notice of default, and immediately do or cause to be done all such acts and things as may be necessary and proper to sell the trust property, and the trustee shall have full and complete authority to sell, lease, convey, or otherwise dispose of all or any part of the trust property, and all promissory notes and other instruments evidencing indebtedness secured hereby, whereupon the proceeds of such sale or disposition shall be paid to the beneficiary and the beneficiary shall be deemed to have accepted the same, and the trustee shall fix the time and place of sale and give notice thereof as then required by law.

[illegible]

4. After the lapse of such time as may then be required by law following the presentation 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, 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. Trustees may at such time and place of sale or sales, by public announcement, postpone the sale by public auction, and from time to time thereafter may postpone the sale by public auction.

announcement at the time fixed by the preceding subparagraph. The trustee shall deliver to the purchaser his deed in full payment or warranty, expressed or implied, of the goods so sold, but without any conditions 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.

IN WITNESS WHEREOF, the undersigned, pursuant to the powers provided herein, the following: (1) To

9. When the Trustee sells pursuant to the powers provided herein, the trustee shall apply the proceeds of the trust's sale as follows: (1) To the trustee shall charge the sale including the compensation of the trustee and the expenses appraised by the attorney; (2) To the obligation subsequent to the reasonable charge by the attorney, having recorded interest appraised by the trustee deed; (3) To all persons having recorded interest appear in the trustee deed; (4) The surplus, as any, to the grantor of the trust interest of the trustee; (5) The surplus, if any, to the grantor of the trust interest of their priority; (6) The surplus, if any, to the grantor of the trust deed or to his successor in interest entitled to such surplus.

interests of their priority. (4) The survivor shall be 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 cost to the beneficiary, the trustee named or appointed hereinunder, each and every one of them, shall be deemed to have resigned as trustee. Each such resignation shall be deemed to have been made by written instrument executed and delivered 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 the proper appointment of the successor trustee.

11. The beneficiary shall, when this deed, duly executed and acknowledged, is recorded, be deemed to have agreed that he is not obligated

11. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record of pending sale under any other deed of trust of to notify any party hereto of pending sale under any other deed of trust of to 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.

to notify any party proceeding in which the trust or
any action or proceeding is brought by the trustee.
party unless such action or proceeding is brought by the trustee.

hereby, their heirs, legatees devisees, administrators, executors, successors and assigns,
pledges, or the note "beneficiary" shall mean the holder or owner named as a beneficiary
herein. In construing this deed and whenever or 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

STATE OF OREGON
County of Klamath

City of Klamath
This is to certify that on this 4th day of August
and county and state, personally appeared the within named

THIS IS TO CERTIFY that on this 22nd day of August, 1964, personally appeared the within named Robert A. Dunn of and for said county and state, Sandra M. Dunn Robert A. Dunn identified individual S named in and who executed the foregoing instrument and acknowledged to me that the foregoing instrument was his act and deed and the contents therein expressed.

they executed the same freely and voluntarily for the uses and purposes therein expressed. Witness my hand and the seal of the County of Cook, State of Illinois, this 1st day of May, 1964.

USE ALL

Loan No. 39-01261

TRUST DEED

Russell A. Dunn

Sandra M. Dunn

Grantor

KLAMATH FIRST AND LOAN TO FEDERAL SAVINGS ASSOCIATION

After Recording Return To:
KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION
P. O. Box 5270
Klamath Falls, Oregon 97601

STATE OF OREGON

County of Klamath }

I certify that the within instrument
was received for record on the 19th
day of August, 1986
at 11:49 o'clock A.M., and recorded
in book M86 on page 14846
Record of Mortgages of said County.

Witness my hand and seal of County
affixed.

Evelyn Biehn, County Clerk

By Sam Smith County Clerk Deputy

Fee: \$9.00

REQUEST FOR FULL RECONVEYANCE

REQUEST FOR FULL ACCOUNT
To be used only when obligations have been paid.

TO: William Sisemore, Trustee, Trustee

TO: William Sizemore, Trustee, 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

Klamath First Federal Savings & Loan Association, Beneficiary

DATED:

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