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MTC-17920-P

DEED OF TRUST

431-2054189-703

THIS DEED OF TRUST, made this 6th day of May, in 87,

between Robert S. Berry and Elizabeth A. Berry, husband and wife

herein called the Grantor,

whose address is 196 Dahlia Street, Klamath Falls, State of Oregon,
(Street and Number) (City)

Mountain Title Company, as Trustee, and

Jackson County Federal Savings and Loan Association, as Beneficiary,

WITNESSETH: That Grantor irrevocably GRANTS, BARGAINS, SELLS and CONVEYS to TRUSTEE IN TRUST, with POWER OF SALE, THE PROPERTY IN Klamath County, State of Oregon, described as:

The Southeasterly 9 feet of Lot 3, all of Lot 4 and the Northwesterly 6 feet of Lot 5 in Block 10 of ELDORADO ADDITION to the City of Klamath Falls, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

which said described property is not currently used for agricultural, timber or grazing purposes.

Together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining, the rents, issues, and profits thereof. SUBJECT HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

TO HAVE AND TO HOLD the same, with the appurtenances, unto Trustee.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of $ 38,976.00

with interest thereon according to the terms of a promissory note dated May 6th, 19 87, payable to Beneficiary or order and made by Grantor, the final payment of principal and interest thereof, if not sooner paid, shall be due and payable on the first day of June 2017.

1. Privilege is reserved to pay the debt, in whole or in part, on any installment due date.

2. Grantor agrees to pay to Beneficiary in addition to the monthly payments of principal and interest payable under the terms of said note, on the first day of each month until said note is fully paid, the following sums:

(a) A sum, an estimated to be Beneficiary's equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by the Deed of Trust, plus the premiums that will next become due and payable to policies of fire and other hazard insurance on the premises covered hereby, as may be required by Beneficiary to insure and in a company or companies satisfactory to Beneficiary. Grantor agrees to deliver promptly to Beneficiary all bills and notices herein, and all such amounts paid therefore divided by the number of months to elapse before 1 month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by the Beneficiary in trust to pay said ground rents, premiums, taxes and special assessments, before the same become delinquent; and

(b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Beneficiary to the following items in the order set forth:

(I) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;
(II) interest on the note secured hereby; and
(III) reduction of the principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good prior to the due date of the next such payment, constitute and event of default under this Deed of Trust.

STATE OF OREGON:

3. In the event that any payment or portion thereof is not paid within fifteen (15) days from the date the same is due, Grantor agrees to pay a "late charge" of four cents (4¢) for each dollar so overdue, if charged by Beneficiary.

4. If the total of the payments made by Grantor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes or assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Grantor shall be credited on subsequent payments to be made by the Grantor, or refunded to the Grantor. If, however, the monthly payments made under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Grantor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of such indebtedness, credit to the account of Grantor any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, Beneficiary shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR AGREES:

5. To keep said premises in as good order and condition as they now are and not to commit or permit any waste thereof, reasonable wear and tear excepted.

6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:

(a) To commence construction promptly and in any event within 30 days from the date of the commitment of the Department of Housing and Urban Development, and complete same in accordance with plans and specifications satisfactory to Beneficiary;

(b) to allow Beneficiary to inspect said property at all times during construction;

(c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Grantor by registered mail, sent to his last known address, or by personal service of the same;

(d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) calendar days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building or improvement thereon.

8. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property.

9. To provide and maintain insurance against loss by fire and other hazards, casualties, and contingencies including war damage as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by the Beneficiary, with loss payable to the Beneficiary and Grantor, as their interests may appear, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums.

10. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.

11. To pay at least 10 days before delinquency all assessments upon water company stock, and all rents, assessments and charges for water, appurtenant to or used in connection with said property; to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust.

12. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby.

13. To do all acts and make all payments required of Grantor and of the owner of the property to make said note and this Deed eligible for insurance by Beneficiary under the provisions of the National Housing Act and amendments thereto, and agrees not to do, or cause or suffer to be done, any act which will void such insurance during the existence of this Deed.

IT IS MUTUALLY AGREED THAT:

14. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including cost of evidence of title, employ counsel, and pay his reasonable fees.

15. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in, and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. Grantor agrees to execute such further assignments of any compensation, award, damage, and rights of action and proceeds as Beneficiary or Trustee may require.

16. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

17. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness, Trustee may: (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien or charge thereof; (d) reconvey, 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.

18. 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 Grantor shall default in the payment of any indebtedness secured hereby or in 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.

19. Upon any default, 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 said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, 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 Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits, and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

20. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, or should this Deed and said note not be eligible for insurance under the National Housing Act within Three months from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the Three months' time from the date of this Deed, declining to insure said note and this Deed, being deemed conclusive proof of such ineligibility), or should the commitment of the Department of Housing and Urban Development to insure this loan cease to be in full force and effect for any reason whatsoever, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written

[illegible] of default and demand for sale, and of written notice of default and of election to cause the property to be sold, which notice Trustee shall cause to be filed for record. Beneficiary shall deliver to Trustee this Deed, the note and all documents evidencing obligations secured hereby. The entire sum may be tendered by the Beneficiary when the obligation has become due under the National Housing Act or due to the Beneficiary's failure to meet the mortgage requirements pursuant to the Regulations of Housing and Urban Development.

11. After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Grantor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Grantor to direct the order in which such property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder for cash in lawful money of the United States, payable at 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. Trustee shall deliver to the purchaser its Deed 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, including Grantor, or Beneficiary, may purchase at the sale. After deducting all costs, fees and expenses of Trustee and of this trust, including cost of title evidence and reasonable attorney's fees, in connection with sale, Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, with accrued interest at the rate provided on the principal debt, all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto.

12. Beneficiary may, from time to time, as provided by statute, appoint another Trustee in place and stead of Trustee herein named, and thereupon the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

13. This Deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgees, of the note secured hereby, whether or not named as Beneficiary herein.

14. Trustee accepts this trust when this Deed, duly executed and acknowledged, is made public record as provided by law. 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 Grantor, Beneficiary, or Trustee shall be a party unless brought by Trustee.

15. The term "Deed of Trust," as used herein, shall mean the same as, and be synonymous with, the term "Trust Deed," as used in the Deed of Oregon relating to Deeds of Trust and Trust Deeds. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

16. Attorney's fees, as used in this Deed of Trust and in the Note, "Attorney's Fees" shall include attorney's fees, if any, which shall be awarded by an Appellate Court.

Robert S. Berry — Signature of Grantor

Kimberly A. Berry — Signature of Grantor

STATE OF OREGON, COUNTY OF Klamath } ss.

I, the undersigned, a Notary Public, hereby certify that on this [illegible] day of [illegible], 19[illegible], personally appeared before me ROBERT S. BERRY & KIMBERLY A. BERRY to me known to be the individual described in and who executed the within instrument, and acknowledged that they signed and sealed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal the day and year last above written.

Notary Public for the State of Oregon

My commission expires: 8/16/88

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

To: TRUSTEE,

The undersigned is the legal owner and holder of the note and all other indebtedness secured by the within Deed of Trust. Said note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all note(s) above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____, 19____

Mail reconveyance to: _____

STATE OF OREGON, COUNTY OF } ss.

I hereby certify that the within Deed of Trust was filed in this office for record on the _____ day of _____, A.D. 19__, at _____ o'clock _____ M., and duly recorded in Book _____ of Records of Mortgages of _____ County, State of Oregon, on page _____

_____ Recorder

By _____ Deputy

ADDENDUM TO DEED OF TRUST

8189

49187137
431-2056189-2038/703

THIS ADDENDUM is made this 6th day of May, 19 87, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Mortgage"), of even date herewith, given by the undersigned ("Mortgagor") to secure Mortgagor's Note ("Note"), of even date herewith, to Jackson County Federal Savings & Loan Association ("Mortgagee"), covering the premises described in the Mortgage and located at 164 Dahlia Street, Klamath Falls, OR 97601.

The Mortgagee shall, with the prior approval of the Federal Housing Commission, or his designee, declare all sums secured by this mortgage to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 24 months after the date of execution of this mortgage or not later than 24 months after the date of a prior transfer of the property subject to this mortgage, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner.

Initial

(Mortgagor) Robert S. Berry

(Mortgagor) Kimberly A. Berry

LOAN NO. 2[illegible]

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath Title Company for Mtg. on this day of May A.D., 19 87 at 3:31 o'clock P.M., and duly recorded in Vol. M87 of Mortgages on Page 7[illegible]

FEE $12.00

DALE W. GRAY, County Clerk

By [illegible]