

THIS TRUST DEED, made this 13th day of August 19 87 between Steven William Riedy and Pamela Sue Riedy, husband and wife

....., as grantor, William Sisemore, as trustee, and
 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:

Lot 9, Block 9, FIRST ADDITION TO GATEWOOD, in 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 other 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, ventilation, 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 \$7,100.00 Seven Thousand Five Hundred and no/100 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 \$ 91.39 commencing September 20, 19 87.

This trust deed shall further secure the payment of such additional money, if any, as may be loaned hereunder by the beneficiary to the grantor or others having an interest in the above described property, as may be evidenced by a promissory 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.

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 precedence over said trust deed; to complete all buildings in course of construction hereon or hereafter constructed on said premises within six months from the date hereof or the date construction is hereafter commenced on the building or improvement on promptly and in good workmanlike manner, to repair, rebuild, or replace any building or improvement damaged or destroyed and pay, when due, all said property taxes and assessments; to allow beneficiary to inspect said property at all times during construction; to replace any work or materials unsatisfactorily constructed within fifteen days after written notice from beneficiary of such fact; not to remove or destroy, or to keep all buildings and improvements now or hereafter erected upon said property in good repair and to commit or suffer no waste of said premises; to keep all buildings, property and improvements insured by fire or such other insurance as the beneficiary may from time to time require, and to pay the cost of such insurance, not more than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable to the beneficiary, and to deliver the original policy of such insurance to the beneficiary attached and with approved loss payable to the beneficiary at the principal place of business of the beneficiary at least ten days prior to the effective date of any such policy of insurance. In the event said policy of insurance is not so tendered, the beneficiary, which insurance discretion obtain insurance for the benefit of said beneficiary, which insurance shall be non-cancelable by the grantor during the full term of the policy thus

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 month, and also one-thirty-sixth (1/36th) of the insurance premiums payable with respect to said property within each succeeding three years while this trust deed remains in effect, as estimated and directed by the beneficiary, such sums to be credited to the principal of the loan until actually required for the several purposes thereof and shall thereupon be charged to the principal of 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 premium 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 hereby 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 thereof furnished by the collector of such taxes, assessments or other charges, and to pay the same as premiums in the amounts shown on the statements submitted to the insurance carriers or their representatives, and to charge to the principal of the loan or to withdraw the sum so payable, as required from the reserve account, if any, established for such purpose. The grantor agrees in no event to hold the beneficiary responsible for failure to have any insurance written or for any loss or damage growing out of a defect in any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to compromise and settle with any insurance company and to apply any proceeds of such compromise or settlement to the payment of the indebtedness by 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 reimbursable 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 grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to pay all costs, fees and taxes on this trust, including the cost of title search, as well as all 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 suit or legal proceeding brought to affect the security hereof or to exercise the powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a suit or proceeding to be fixed by the court, in any such action or proceeding, in which the beneficiary or trustee may appear and in any suit or proceeding 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, condemnation, the beneficiary shall have the right to commence or prosecute in its own name, appear in or defend any action, 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 amount repayable as compensation for such taking, which are in excess of the amount repayable as compensation for such taking, shall be paid to the beneficiary and applied by it first upon any reasonable costs and expenses and attorney's fees necessarily paid or incurred by the beneficiary in such proceedings and then the balance applied upon the indebtedness of the beneficiary. 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 request.

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 subordination or other agreement affecting this deed or the lien or charge hereof; (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. 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 grantor shall default in the payment of any indebtedness secured hereby or the performance of any agreement hereunder, grantor shall have the right to collect such rents, issues, royalties and profits earned prior to default as they may come 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 the security for the indebtedness hereby secured, cause the name of the grantor to be advertised in a newspaper of general circulation, and to cause the possession of said property, or any part thereof, in the name of the grantor, to be sold, and apply the rents, issues and profits of the property sold to the payment of the past due and unpaid, and apply the same to the payment of the expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as the beneficiary may determine.

14952

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 conveyance of the above described property and furnish beneficiary on a form supplied it 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 filed for record upon delivery of said notice of default and election to sell, 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.

IN WITNESS WHEREOF, said grantor has hereunto set his hand and seal the day and year first above written.

STATE OF OREGON

County of Klamath } ssTHIS IS TO CERTIFY that on this 13th day of August, 19 87, before me, the undersigned, a

Notary Public in and for said county and state, personally appeared the within named Steven William Riedy and Pamela Sue Riedy 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.



Notary Public for Oregon

My commission expires: 7-6-90Loan No. 39-01319

TRUST DEED

Steven William RiedyPamela Sue Riedy

TO

Grantor

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, OR 97601

STATE OF OREGON

County of Klamath } ss

I certify that the within instrument was received for record on the 19th day of August, 19 87, at 3:16 o'clock P. M., and recorded in book M87 on page 14952 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

County Clerk

By Ann 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

by

DATED: 8/27/87, 19 87