

## TRUST DEED

THIS TRUST DEED, made this 9th day of November, 1971, between JOHN H. FAGAN and AUDREY C. FAGAN, husband and wife

as grantor, William Gandy, Jr., as trustee, and FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, Oregon, 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:

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Lot 14 in Block #0 of HILLSIDE ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.

which said described real property does not exceed three acres, together with all and singular the appurtenances, tenements, hereditaments, rents, issues, profits, water rights and other 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 curtains, vegetation blinds, floor coverings in place such as wall-to-wall carpeting and linoleum, shades and built-in ranges, dishwashers and other 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 ~~\$21,900.00~~ TWENTY ONE THOUSAND NINE HUNDRED AND ~~00/100~~ Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to the beneficiary at order and made by the grantor, principal and interest being payable in monthly installments of \$~~175.16~~ commencing

December 1, 1971.

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 or all notes or part of any payment on one note and part on another, as the beneficiary may elect.

The grantor hereby agrees to and with the trustee and the beneficiary hereto that the said assessments and other charges levied against said property; to keep said property free from all encumbrances having precedence 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 begun, unless due to circumstances beyond the control of the grantor, and to make prompt and sufficient payment of all taxes, assessments and improvements now or hereafter erected upon said property; 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 now or hereafter erected on said premises sufficiently insured against loss by fire and other risks as the beneficiary may from time to time require, but in sum not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable in the beneficiary's judgment; to pay all taxes, assessments and other charges levied against said property; to furnish to the beneficiary at least fifteen days after written notice from the beneficiary or his attorney, a copy of the original policy of insurance on the property hereinafter 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 no waste of said premises; to keep all buildings, property and improvements now or hereafter erected on said premises sufficiently insured against loss by fire and other risks as the beneficiary may from time to time require, but in sum not less than the original principal sum of the note or obligation secured by this trust deed, in a company or companies acceptable in the beneficiary's judgment; and to deliver the original policy of insurance in correct form and with appropriate loss payable clause in favor of the beneficiary attached thereto, to the trustee or the beneficiary or his attorney, at least fifteen days prior to the effective date of any such policy of insurance. If said policy of insurance is not so tendered, the beneficiary may in its own discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-negotiable 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 and other charges and insurance premiums, the grantor agrees to pay to the beneficiary, together with an addition to the amount of the note or obligation secured by this trust deed, 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-thirtieth (1/30th) of the insurance premiums payable with respect to said property within each succeeding three years. The amount so paid shall be retained by the trustee and directed to the beneficiary, such sums to be credited to the principal of the loan until 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 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 on said property, any part thereof, before the same become due, interest and any premium on all insurance policies upon said property, such payments are to be made through the beneficiary, as trustee. 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 furnished to the grantor of such taxes, assessments and other charges, and to pay the insurance premiums in the amounts shown on the statements submitted by the insurance 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 to no liability for any damage resulting from 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 such insurance receipts upon the obligations incurred by this trust deed, 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 trustee assesses for taxes, assessments, insurance premiums and other charges as is 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 indebtedness secured hereby.

Should the grantor fail to keep any of the foregoing covenants, then the beneficiary may, at its option, pay, at the same, and all its expenditures therefor, at a rate of 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 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, expenses and expenses of this trust, including the cost of title search as well as other costs and expenses of title insurance, recording fees, attorney's fees, and 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 hereof or the rights or powers of the beneficiary or trustee; and to pay all costs and expenses, including cost of defense of title and attorney's fees in a reasonably prompt manner. If any suit, action or proceeding is brought in which the beneficiary or trustee may appear, any and all costs brought by them in which to foreclose this deed, and all said costs shall be created 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 of 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 proceedings, including all suits, actions, and appeals or applications in connection with such taking and, if it so elects, to require that all or any portion of the money's payable as compensation for such, as the same, 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 to the payment of the note, taxes, assessments and attorney's 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 compensation of the trustee for services performed for the benefit of the beneficiary, and payment of the note for the liability of any person for the payment of the indebtedness, the trustee may (a) consent to the making of any mortgage of said property; (b) join in granting any easement or creating and restricting thereon; (c) join in any subordination or other agreement affecting this note or the lien or charge hereon; (d) receive, without consideration, all or any part of the property. The grantee in any conveyance 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 \$5.00.

3. As additional security, grantor hereby assigns to beneficiary during the continuance of this trust, all rents, issues, royalties and profits of the property affected by this trust, debenture or otherwise, and the 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. Upon any default by the grantor hereunder, the beneficiary may at any time withdraw the sums which may be required or by reason of the non-payment of any part of the note, taxes, assessments and other charges, 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 its own name sue 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, 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 contract for sale of the above described property and furnish beneficiary on a form approved by the trustee information concerning the transaction 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 accrued 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 same notice of default and election to sell, the beneficiary shall cause to be recorded this instrument and the notes and documents evidencing expenditures secured hereby, whereupon the trustees 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 to exceed \$100.00) and the beneficiary or his principal agent 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 the notice of default and giving of same notice of sale, the trustee shall sell and pay over the amount due by him to the holder or holders 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 an-

pouncement 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 service charge by the trustee; (2) to the cancellation of 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 and 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 of predecessor to the extent of the original appointment, and 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 in a public record, as provided by law. The trustee is not obligated to any party hereto by pending suit under any other deed of trust or of any series of grants or assignments, and the grantor and trustee shall be a party, unless such action or proceeding is brought by the trustee.

12. This deed applies to leases to the benefit of, and funds all parties hereto, and heirs, executors, administrators, successors, executors, and assigns. The term "beneficiary" shall mean the holder and assignee, 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.

*John H. Fagan* (SEAL)  
*Audrey C. Fagan* (SEAL)

STATE OF OREGON  
County of Klamath | ss.

THIS IS TO CERTIFY that on this 8th day of November, 1971, before me, the undersigned a Notary Public, to and for said county and state, personally appeared the within named JOHN H. FAGAN and AUDREY C. FAGAN, husband and wife, 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)

Loan No.

## TRUST DEED

Grantor  
TO  
FIRST FEDERAL SAVINGS &  
LOAN ASSOCIATION  
Beneficiary

After Recording Return To:  
FIRST FEDERAL SAVINGS  
540 Main St.  
Klamath Falls, Oregon

DO NOT USE THIS  
SPACE RESERVED  
FOR RECORDING  
LABEL IN COUNTIES WHERE  
USED.

STATE OF OREGON  
County of Klamath | ss.

I certify that the within instrument was received for record on the 10th day of NOVEMBER, 1971, at 3:20 o'clock P.M. and recorded in book 11773 on page 11773 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

M. D. MINE  
County Clerk

By *Hazel Dray* Deputy

FEE \$2.00

## REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Ganong, 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.

First Federal Savings and Loan Association, Beneficiary

DATED: 19

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