

THIS TRUST DEED, made this 17<sup>th</sup> day of July 1974, between  
OTTO H. SHERMAN AND REVA H. SHERMAN, husband and wife,

as grantor, William Ganong, 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:

A portion of Lot 10 in Block 48, HILLSIDE ADDITION TO THE CITY OF KIAMIATH FALLS, OREGON, more particularly described as follows:

Beginning at a point on the Northeasterly line of Lot 10 in Block 48 of Hillside Addition to the City of Klamath Falls, Oregon, which point is Northwesterly along said line a distance of 86.0 feet from the Southeast corner of said Lot 10; thence Southwesterly, parallel to the Northwesterly line of said Lot 10, a distance of 105.0 feet to a point; thence Southeasterly parallel to the Northeasterly line of said Lot 10, to the Southerly line of said Lot 10; thence Easterly along said Southerly line of said Lot 10 to the Southwesterly line of the alley running through said Block 48; thence Northwesterly along the Southwesterly line of said alley a distance of 86 feet to the point of beginning.

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, venetian blinds, floor covering 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 **TWENTY SIX THOUSAND AND NO/100--**

Dollars, with interest thereon according to the terms of a promissory note of  
beneficiary or order and made by the grantor, principal and interest being payable in monthly installments of \$ 204.62 commencing  
August 23, 1974.

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This trust deed shall run for a period of ten years from the date hereof, if any, as may be loaned hereafter by the beneficiary to the grantor, either having an interest in the above described property, or to be evidenced by one or more notes. The amount loaned by the trustee is evidenced by one or more notes, 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.

Indebtedness, is 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 mortgage secured hereby.

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 will defend the same against all persons whomsoever, against the claims of all persons whomsoever.

Should the grantor fail to keep out of the foregoing covenants, then the beneficiary may at his 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 to the beneficiary on the last day of this month ensuing. In making such repairs or improvements, the grantor shall have the right to nominate any improvements made on said premises and also to make such repairs to said

term and will, for all time thereafter, and other charges levied against said property; to keep said property free from all encumbrances having preference over this trust deed; to complete all buildings in course of construction or hereafter constructed on said premises which may be taken from the State hereof or the state construction committee, or otherwise; to repair or improve any property and to keep workmanlike manner any building or improvement on property which may be damaged or destroyed and pay, when due, all costs incurred therefor; to allow beneficiary to inspect said property at all times during construction; to replace any work or material which may be required by beneficiary, within fifteen days after written notice of such requirement, upon payment of reasonable compensation to the beneficiary of such work or material; to pay all taxes, assessments, and other charges levied against said property as in its sole discretion it may deem necessary or advisable.

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

by fire or such other hazards as the beneficiary may designate, in an amount not less than the original principal sum of the note or obligation secured by this trust deed. In making any compromise acceptable to the beneficiary, and to deliver to the beneficiary a policy of insurance in correct form and with appropriate endorsements, claims in favor of the beneficiary attached and with premium paid, to the principal place of business of the beneficiary 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 noncancelable by the grantor during the full term of the policy thus obtained.

Without warranty, all or any part of the property. The grantee in any recovery  
may be considered as the "person or persons legally entitled thereto," and  
the recitals theron of any matters or facts shall be conclusive proof of the  
truthfulness thereof. Trustees fees for any of the services in this paragraph

It is agreed to name one insurance company to whom all claims arising from the loss of any property or damage to any building or structure, or any personal property, shall be referred for adjustment and payment. The insurance company so named, after giving due notice of claim, shall have the right to inspect the same at any time, and to make such investigation as it may see fit, and to require the services of any engineer, architect, or other person, to whom it may be necessary to call upon, to estimate the cost of repairing or replacing any property damaged or destroyed, and to determine the amount of money required to effect such repair or replacement.

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6. 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 bar or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7. The grantor shall notify beneficiary in writing of any sale or contract for sale of the above described property and furnish beneficiary with a form supplied by him with such personal information concerning the property as would otherwise be required of a new loan applicant and shall pay beneficiary a service charge.

8. Time is of the essence of this instrument and upon default by the grantor of payment of any indebtedness herein contained, the trustee may at any time prior to the date of final settlement, may demand all sums secured hereby including attorney's fees 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 void of all notes and agreements evidencing any indebtedness herein, whereupon the trustee shall fix the time and place of sale and give notice thereof as then required by law.

9. After default and any time prior to five days before the date set by the trustee for sale, trustee with 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 \$50.00 each) other than such portion of the principal as would then be due had no default occurred and thereby cure the default.

10. 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 the trustee, either at public auction or by private sale in his discretion, in order as he may determine, 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-

nouncement; 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, except that the trustee shall make a full & complete conveyance of the title to the trustee thereof. Any person, including the grantor and the beneficiary, may purchase at the sale.

11. When the trustee sells pursuant to the powers granted 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 date of the trust deed, as their interest appears in the record, in the order of their priority. (4) The surplus if any to the extent of the principal, interest and attorney's fees, to the grantor or to the grantor and the beneficiary, may purchase at the sale.

12. For any reason permitted by law, the beneficiary may from time to

time appoint a successor or successor to any trustee named herein and

successor 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 recorder of the

county or county in which the property is situated, shall be conclusive proof of the

proper appointment of the successor trustee.

13. Trustees accept this trust when this deed, duly executed and acknowledged, is recorded in the records of the county in which the property is situated. 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.

14. This deed applies to heirs, devisees, administrators, executors, successors and

heirs of the holder, trustees, devisees, administrators, executors, successors and

heirs of the holder, executors, administrators, successors and heirs of the

beneficiary. In construing this deed and whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number in-

cludes the plural.

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

Otto E. Sherman (SEAL)

Neva S. Sherman (SEAL)

STATE OF OREGON  
County of Klamath

THIS IS TO CERTIFY that on this 19 day of July 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named.

NEVA S. SHERMAN, wife of Otto E. Sherman  
to me personally known to be the identical individual named in and who executed the foregoing instrument and acknowledged to me that she 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.

Notary Public for Oregon  
My commission expires: 11-30-78

FORM NO. 23 — ACKNOWLEDGMENT  
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

STATE OF OREGON,  
County of Klamath ss.

BE IT REMEMBERED, That on this 22 day of July 1974, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Otto E. Sherman, husband of Neva S. Sherman

known to me to be the identical individual described in and who executed the within instrument and acknowledged to me that he executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

Kirk Davis  
Notary Public for Oregon

My Commission expires: 5-14-76

Klamath Falls, Oregon

STATE OF OREGON, COUNTY OF KLAMATH; ss.

Filed for record at request of TRANAMERICA TITLE INS.

this 25th day of JULY A.D. 1974 at 11:20 o'clock A.M. and duly recorded in  
MORTGAGES Date 9663

FEE \$1.00

WM. D. MILNE, County Clerk

Otto E. Sherman Deputy

First Federal Savings and Loan Association, Beneficiary

22nd off 1st  
J. M. Main