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**TRUST DEED**

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THIS TRUST DEED, made this 10<sup>th</sup> day of November, 1977, between  
NATHAN B. WAX & SUSAN K. WAX, husband and wife,

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 5 in Block 1 of Tract No. 1033, KENO  
HILLSIDE ACRES, Klamath County, Oregon

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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, ventiling, 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 all the covenants of the grantor herein contained and the payment of the sum of THIRTY TWO THOUSAND AND NO/100 (\$32,000.00) 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 \$258.24 commencing

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 herein that the said premises and property conveyed by this trust deed are free and clear of all encumbrances and that the grantor will warrant 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 pre-  
cedence over this trust deed; to complete all buildings in course of construction  
now or hereafter constructed on said premises within six months from the date  
of completion of the construction of any building thereafter commenced; to repair and restore  
promptly and in good workmanship any building or improvement on  
said property which may be damaged or destroyed; when due, all  
costs incurred therefor; to allow beneficiary to inspect said prop-  
erty during construction; to replace any work or materials unsatisfactory to  
beneficiary within fifteen days after written notice from beneficiary of such  
defect; not to remove or destroy any building or improvements now or hereaf-  
ter constructed on said premises; to keep all buildings and improvements now or  
hereafter erected on said property in good repair and to commit or suffer  
no waste of said premises.

no waste or bad premises; to keep all buildings, property and improvements now or hereafter erected on said premises continuously insured against loss by fire or such other hazard as the beneficiary may, from time to time require in a sum not less 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 insurance in correct form and with approved loss payable cause, and to pay to the beneficiary attached and with premium paid to the principal place of business of the beneficiary at least fifteen days prior to the effectiveness of any such policy or 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.

That for the purpose of providing regularly for the prompt payment of all taxes, assessments, and governmental charges levied or assessed against the above described property and insurance premium (whether the indebtedness secured hereby is in excess of 80% of the lesser of the original purchase price paid by the grantor at the time the loan was made or the beneficiary's original estimated value of the property at the time the loan was made), grantor will pay to the beneficiary in addition to the monthly payments of principal and interest payable under the terms of the note or obligation secured hereby on the date installments of principal and interest are payable an amount equal to 1/13 of the taxes, assessments, and other charges.

of the taxes, assessments, and other charges due and payable with respect to said property within each succeeding 12 months and also 1 1/8% of the insurance premium payable with respect to said property within each succeeding three years while this Trust exists. Dicd is in effect as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor interest on said amounts at a rate not less than the highest rate authorized to be paid by banks on their open passbook accounts minus 3 1/4 of 1%. If such rate is less than 4%, the rate of interest paid shall be 4%. Interest shall be computed on the average monthly balance in the account and shall be paid quarterly to the grantor by crediting to the escrow account the amount of the interest due.

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, payments are to be 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 amount as shown by the statements thereof furnished 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 insurance carriers or their representatives and 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 liable for failure to have any insurance written on for any loss or damage growing out of or resulting from any insurance policy, and the beneficiary hereby is authorized, in the event of any loss, to communicate and consult with any insurance company and to apply any such insurance receipts upon the obligations secured by this trust deed. In computing the amount of the indebtedness for payment and satisfaction, in full, upon sale or other

cession of the property by the beneficiary after default, any balance remaining in the reserve account shall be credited to the indebtedness. If any authorized reserve account for taxes, assessments, insurance premiums and other charges is not sufficient to cover 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 improvement 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 testator further agreed to comply with all laws, ordinances, regulations, covenants, conditions and restrictions binding said property; to pay all costs, expenses and expenses of this trust; including the trustee's fees as well as other costs and expenses of the trustee incurred in connection with or enforcing this obligation; and trustee's and attorney's fees actually incurred in appraising and defending any action or proceeding purporting to affect the securities or other assets held by the beneficiary or trustee; and to pay all costs and expenses including reasonable powers of the beneficiary or trustee and attorney's fees in a reasonable sum to be fixed by the court in any suit, action or proceeding in which the beneficiary or trustee may appear and in any suit, action or proceeding to foreclose this deed; and all said sums shall be required by beneficiary.

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 further statements of account.

It is mutually agreed that:

1. In the event that any portion or all of said property shall be taken by right of eminent domain or condemnation, the beneficiary shall have the right to compensation, to prosecute in its own name, appear in or defend any action or proceeding, 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 fees lawfully paid incurred by the grantor, in such proceedings, shall be paid to the beneficiary and applied by it first upon any reasonable costs and expenses and attorney fees lawfully paid by the beneficiary in such proceedings, and the remainder applied to the compensation accrued hereby; and the grantor agrees, his own expense, to take such steps and execute such instruments as shall be necessary in obtaining such compensation.

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 encasement (in case of full reconveyance, for cancellation), without affecting the validity of any claim 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 any subordination agreement or easement or creating and restriction thereon; (c) join in any subordination agreement affecting this deed or the lien or charge hereof; (d) reconvey the warranty, all or any part of the property. The grantees in any reconveyance may be described as the "person or persons legally entitled thereto" and "without limitation in any matter or facts shall be conclusive proof of the fitness thereof."

4. 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 come due and payable. Upon any default by the grantor hereunder the trustee may, at any time without notice, either in person, by agent or by attorney, or by being appointed by a court, and without regard to the adequacy of any funds available for the indebtedness hereby secured, enter upon and take possession of the property so secured and part thereof, in its own name as for otherwise collect rents, issues and profits, including those past due and unpaid, and apply 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 direct.

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of such rents, issues, and profits, for damages of fire and other insurance policies or compensation or awards for encroaching upon the property, and the application or release thereof, as aforesaid shall not cure or discharge 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 supplied it with such power of attorney 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 the grantor of payment of any indebtedness secured hereby or in performance of any agreement, term, condition or covenants, the beneficiary may declare all sums secured hereby immediately due and payable by filing with the trustee or trustee's office 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 all promissory 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 exceeding \$50.00 each) 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 at the time of sale. Trustee may postpone sale of all or any portion of said property without 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, covering the property so sold, but without any covenant or warranty, express or implied. The recordation in the deed of any matters or facts shall be conclusive proof of the indebtedness secured, any person, excluding the trustee but including the grantor and the beneficiary, may purchase at such 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 reasonable charge by the attorney. (2) To the obligation secured by 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 amount, if any, to the grantor of the trust deed or 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 other trustee appointed hereunder. Upon such appointment and without conveyance to the successor, the rights hitherto shall be vested with all title, powers and duties conferred upon said trustee, herein named or appointed hereunder. Each such appointment and substitution shall be made by a written instrument executed by the beneficiary, containing reference to this trust deed and its record, which, when recorded in the office of the county clerk or recorder of the county or country in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

11. Trustee agrees to this instrument and its execution and acknowledgement is made a public record, as provided by law. The trustee is not obligated to notify any party hereto of pending sale under any other deed or instrument 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.

12. This deed applies to, insures to the benefit of, and binds all parties hereto, their heirs, legatees, executors, administrators, successors and assigns. The term "beneficiary" shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not the same is in the name 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 includes the plural.

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

*Nathan B. Way* (SEAL)  
NATHAN B. WAY

*Susan K. Way* (SEAL)  
SUSAN K. WAY

STATE OF OREGON  
County of Klamath ss  
THIS IS TO CERTIFY that on this 10<sup>th</sup> day of November 1977, before me, the undersigned, a Notary Public, in and for said county and state, personally appeared the within named NATHAN B. WAY & SUSAN K. WAY, 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.

*Leal D. Page*  
Notary Public for Oregon  
My commission expires: 4/24/81

Loc No. \_\_\_\_\_

## TRUST DEED

TO  
KLAMATH FIRST FEDERAL SAVINGS  
AND LOAN ASSOCIATION  
Beneficiary  
After Recording Return To:  
KLAMATH FIRST FEDERAL SAVINGS  
AND LOAN ASSOCIATION

STATE OF OREGON  
County of Klamath } ss.  
(DON'T USE THIS  
SPACE; RESERVED  
FOR RECONING  
LABEL IN COUN-  
TIES WHERE  
USED.)

I certify that the within instrument was received for record on the 10<sup>th</sup> day of November 1977, at 3:53 o'clock P. M., and recorded in book M77 on page 21856 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Milne  
County Clerk

By *Bernard H. Fletcher* Deputy  
Fee \$6.00

## REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Sisomore, \_\_\_\_\_ 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

DATED: 10

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