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TRUST DEED

01-11306 G739
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THIS TRUST DEED, made this 17th day of

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CLINTON D. GARDNER and AUDREY K. GARDNER, husband and wife 19 78

KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of the United States, as grantor. William Sisemore, as trustee, and

WITNESSETH

The grantor irrevocably grants, bargains, sells and conveys to the trustees, in trust, with power of sale, the property in Klamath County, Oregon, described as:

Lot 8, in Block 8 MILDORADO ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

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, 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 sisalum 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 covenants of the grantor herein contained and the payment of the sum of **TWENTY EIGHT HUNDRED THIRTY-EIGHT DOLLARS**, or **\$28,380.00** 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 **\$ 248.83**, commencing

This trust deed shall further secure the payment of such additional amounts, if any, as may be imposed 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 conveys to the end with the tenures and the beneficial
title that the said premises and property conveyed by his 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 thereby
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 been placed 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 hereafter commenced; to repair and restore said property so that it may be damaged or destroyed and pay, when due, all costs incurred therefore to allow beneficiary to inspect said property at all times during construction, to replace any work or materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary of such fact; not to remove or destroy any building or improvements now or hereafter constructed on said premises to reconstruct 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 by fire or such other hazards as the beneficiary may from time to time require in a sum not less than the original principal sum of the note or obligation created by this trust deed, in a company or companies acceptable to the beneficiary to deliver the original policy of insurance in correct form and with the approved loss payable clause in favor of the beneficiary attached and premium paid; at the principal place of business of the beneficiary at fifteen days prior to the effective date or any such policy of insurance; if said policy of insurance is not so tendered, the beneficiary may in its discretion obtain insurance for the benefit of the beneficiary, which insurance shall be non-cancellable by the grantor during the full term of the policy obtained.

That for the purpose of providing security for the prompt payment of all assessments, and governmental charges levied or assessed against the above described property and insurance premium while the independence occurred hereto the sum of 24% of the lesser of the original purchase price paid to the grantor at the time the loan was made or the beneficiary's original appraisal 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 instrument secured hereby on the date installments on principal and interest are payable as amounts equal to 1 1/2% of the taxes, assessments, and other charges due and payable each month to said property within such successive 13 months and also 1 1/2% of the amount of insurance payable each month to said property within such successive three successive years. Said fund is to be maintained and directed by the beneficiary. Beneficiary shall cause to be given to him interest on said amounts at a rate not less than the regular rate authorized to be paid by banks on their regular published accounts namely 3 1/4% of 1%, but not less to ten percent, the rate of interest paid shall be 4%, however when so computed as the amount monthly becomes in the account and shall be paid quarterly to the grantor by crediting to the same account the amount of the interest due.

While the premium is to pay any and all losses, assessments and other charges incurred or accrued against said property, or any part thereof, before the same begins to bear interest, and to pay premiums on all insurance policies upon said property, and to pay amounts due to him made through the underwriters, as aforesaid. The greater benefit being that the beneficiary will pay any and all taxes, assessments and other charges levied or imposed against said property by the authorities, as shown by the statements furnished by the collector of such taxes, assessments or other charges, and to pay the insurance premiums. In the interests above mentioned, the trustee will be responsible for the insurance carriers or their representatives and for whatever else the same which may be required from the trustee himself if any are established for that purpose. The trustee agrees in his name to hold the beneficiaries responsible for failure to have an 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 re-insure and settle with any insurance company and to apply any such insurance proceeds when the obligations created by this trust deed. In computing the amount of the indebtedness for payment and satisfaction in full of upon sale or otherwise

acquisition of the property by the beneficiary after default, any balance remaining in the reserve account shall be credited to the beneficiary. If any authorized 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 his 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 this connection, the beneficiary shall have the right in its discretion to complete any improvements which on said premises and also to make such repairs to said property as in its sole discretion it may deem necessary.

The grantor further agrees to comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; to pay all costs, fees and expenses of this trust, including the cost of title search, as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees reasonably incurred by trustee in defending 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 evidence of title and attorney's fees, in reasonable sum to be fixed by the court, in any such action or proceeding in which the beneficiary or trustee may appear and in any suit 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 virtually agreed that

1. In the event that any portion or 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,訴訟する, 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's payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses, and attorney's fees reasonably paid or 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's fees necessarily paid or incurred by the beneficiary in such proceedings, and the balance applied upon the indemnity secured hereby; and the grantor agrees at the same 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 the fees and presentation of this deed and the note for cancellation or any portion thereof, the payment of the indebtedness, without affecting the liability of any person named in this instrument, the trustee may (a) re-convey the title to the making of any part or part of said property; (b) join in granting any easement or creating and restricting thereon, (c) join in any subordination or other agreement affecting this deed or the lien or charge hereof; (d) reconvey, 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 fee 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 these interests, rents, issues, royalties and profits of the property affected by this deed and all personal property located thereon. Until grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereinabove, grantor shall have the right to collect all such rents, issues, royalties and profits accrued prior to default as they become due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, agent or by a representative to be appointed by a court, and without regard to the existence of any security for the indebtedness hereby secured, enter upon and take possession of the property, or any part thereof, in its own name sue for or otherwise collect all the 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 the beneficiary may determine.

4. The entering upon and taking possession of said property, the collection of such rents, issues, 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, is reserved, 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 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 contained herein, 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 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 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 \$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, 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. The recitals in the deed of said property 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 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 interest appear in the order of their priority. (4) The surplus, 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 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 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 clerk or recorder of the county or counties in which the property is situated, shall be conclusive proof of the proper appointment of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged in the public record, as provided by law. 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.

12. This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a beneficiary hereof. 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.

Clinton D. Gardner
CLINTON D. GARDNER

(SEAL)

Audrey K. Gardner
AUDREY K. GARDNER

(SEAL)

STATE OF OREGON
County of Klamath

THIS IS TO CERTIFY that on this 17th day of July, 1978, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named CLINTON D. GARDNER AND AUDREY K. GARDNER, husband and wife to me personally known to be the identical individuals 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.

Notary Public Seal
NOTARY PUBLIC
CLINTON D. GARDNER
My commission expires 4/24/81

Loan No.

TRUST DEED

Grantor
TO
**KLAMATH FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION**
Beneficiary

After Recording Return To:

KLAMATH FIRST FEDERAL SAVINGS

AND LOAN ASSOCIATION COMING CIRCLE OF KELLOGG CITY

KNIGHT DRIVING FOR THE DIRECTOR OF THE STATE INSURANCE DEPARTMENT
POB 511 BEND OREGON 97701

(DON'T USE THIS
SPACE) RESERVED
FOR RECORDING
LABEL IN COUNTY
CLERK'S WHERE
USED.)

STATE OF OREGON
County of Klamath

{ ss }

I certify that the within instrument was received for record on the 21st day of July, 1978, at 3:27 o'clock P.M., and recorded in book M78 on page 15880 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Wm. D. Filne

County Clerk

Klamath First Federal Savings & Loan Association, Beneficiary

DATED: CLINTON D. GARDNER AND WIDOW BY CLINTON D. GARDNER
1978

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J3866

To: William Siemone, 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 sum 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 sum).

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