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TRUST DEED

Vol. 7

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THIS TRUST DEED, made this 13th day of April

CHARLES P. GALLAGHER and PATRICIA R. GALLAGHER, 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:

A portion of the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 23, Township 39, South Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, described as follows:

Beginning at a point on the North line of the Klamath Fall and distant Southwesterly along said line of Highway 377.9 feet from the intersection of said line and the East line of said SW $\frac{1}{4}$  of westerly along said line of Highway 100 feet to the Southwesterly corner of property herein conveyed; thence North 35° West a distance of 400 feet; thence Northeasterly and parallel to the said line of Highway, to the SW $\frac{1}{4}$  of NW $\frac{1}{4}$ ; thence Easterly along the North line of the NW $\frac{1}{4}$  of Section 23, to a point North 35° West of the point of beginning, said point being the Northwesterly corner of the property conveyed to Willard L. Johnson et ux by deed recorded on page 136 of Volume 323 of Deeds; thence South 35° East along the Southwesterly line of said Johnson property to the point of beginning.

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, air-conditioning, refrigerating, watering and irrigation apparatus, equipment and fixtures, together with all and singular the improvements thereon, including all interest therein which the grantor has or may hereafter acquire.

(\$37,800.00) Dollars, with interest thereon according to the terms of a promissory note of even date herewith, made by the grantor, principal and interest being payable in monthly installments of \$347.19, commencing on May 20th, 1979.

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 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 this trust deed; to complete all buildings in course of construction hereof or the date construction is hereafter commenced; to repair and restore promptly and in good workmanlike manner any building or improvement on said 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 materials unsatisfactory to fact; not to remove or destroy any building or improvement on or hereafter constructed on said premises; to keep all buildings and improvements 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 continuously insured against loss 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 premium paid, to the principal place of business of the beneficiary attached and with fifteen days prior to the effective date of any such policy of insurance. If approved loss payable clause in favor of the beneficiary, which insurance shall be non-cancellable 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 while the indebtedness secured hereby is in excess of \$1000 made of the beneficiary's original appraisal value of the property at the time the loan was made, the grantor will pay to the beneficiary in addition to the monthly payments on the date installments payable under the terms of the note or obligation secured hereby of the taxes, assessments, and other charges due and payable with respect to 1/12 within each succeeding 12 months and also 1/30 of the insurance premium payable with respect to said property within each succeeding three years while this Trust Deed is in effect as estimated and directed by the beneficiary. Beneficiary shall pay to the grantor by bank on their open passbook accounts minus 3/4 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, such 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 amounts as shown by the statements furnished by the collector of such taxes, assessments or other charges, and to pay the insurance premiums and to withdraw the sums which may be required from the reserve account, 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 such insurance proceeds upon the obligations secured by this trust deed. In computing the amount of the indebtedness for payment and satisfaction in full or upon sale or other

19...79, between and wife

as grantor, William Sisemore, as trustee, and existing under the laws of the

power of sale, the property in

Range 8 East of Oregon, described

Ashland Highway feet from the NW $\frac{1}{4}$ ; thence Southwesterly corner of 400 feet; thence the North line of the SW $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 23, to a point North 35° East along the Southwesterly line of said Johnson property to the point of beginning.

of privileges now or existing, heating, ventilation blinds, floor or used in connection with the purpose of securing and THOUSAND EIGHT

balance remaining in the authorized reserve account is not sufficient at any time after such demand, the grantor shall pay the amount of such demand to the principal of the

being covenants, then the beneficiary shall be repaid by the grantor, in the discretion to complete such repairs to said property or advisable.

ordinances, regulations, property, to pay all costs, the title search, as well as in connection with or fees actually incurred; to affect the security of the beneficiary; and to pay all and attorney's fees in a action or proceeding in suit brought by beneficiary secured by this trust

request therefor an request required to furnish

property shall be taken by beneficiary shall have or in or defend any action in connection with portion of the money's fees of the amount re- paid to the beneficiary expenses and attorney's proceedings, and the and the grantor agrees, which instruments as shall upon the beneficiary's

request of the beneficiary and the note for cancellation without affecting the trust, the trustee may (a) to join in granting in any subordination hereto; (d) reconvey, enter in any reconvey, entitled thereto" and inclusive proof of the in this paragraph

beneficiary during the profits of the property secured hereby or in secured hereby or in have the right to collect to default as they hereunder, the beneficiary agent or by a re- the adequacy of any and take possession of or otherwise collect unpaid, and apply on, including reason- and in such order

acquisition of the property by the beneficiary after reserve account shall be credited to the indebtedness for taxes, assessments, insurance premiums and other time for the payment of such charges as they become due to the beneficiary upon demand, as if not paid, the beneficiary may at its option add the amount of obligation secured hereby.

Should the grantor fail to keep any of the beneficiary may at its option carry out the same for shall draw interest at the rate specified in this connection, the beneficiary shall have the right any improvements made on said premises and all property as in its sole discretion it may deem

The grantor further agrees to comply with all covenants, conditions and restrictions affecting the fees and expenses of this trust, including the other costs and expenses of the trustee in enforcing this obligation, and trustee's and attorney's fees and expenses, including cost of evidence of costs and expenses, to be fixed by the court, in which the beneficiary or trustee may appear and fiduciary to foreclose this deed, and all said sums due.

The beneficiary will furnish to the grantor an annual statement of account but shall not be required to furnish any further statements of account.

It is mutually agreed that:

1. In the event that any portion or all of under the right of eminent domain or condemnation the right to commence, prosecute in its own name, such taking and, if it so elects, to require that all payable as compensation for such taking, which are or incurred by the grantor in such proceedings, shall be applied by it first upon any reasonable costs, fees necessarily paid or incurred by the beneficiary, balance applied upon the indebtedness secured hereby at its own expense, to take such actions and execute be necessary in obtaining such compensation, prompt request.

2. At any time and from time to time upon the beneficiary, payment of its fees and presentation of the document (in case of full reconveyance, for cancellation of any person for the payment of the indebtedness) to the making of any map or plat of said property or other agreement affecting this deed or the lien of without warranty, all or any part of the property, the beneficiary may be described as the "person or persons" who shall be the beneficiary thereof. Trustee's fees for any of the shall be \$5.00.

3. As additional security, grantor hereby assigns continuance of the trust all rents, issues, royalties, profits and of any personal property affected by this deed to the beneficiary. The performance of any agreement hereunder, grantor shall become due and payable. Upon any default by the beneficiary may at any time take such actions and execute be necessary in obtaining such compensation, prompt request.

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 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 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 announcement at the time fixed by the trustee to the purchaser his deed in the party so sold, but without any covenant or warranty, express or implied. The facts shall be conclusive proof of the trustee but including the grantor and the beneficiary, may purchase at the sale.

9. When the Trustee sells property, the trustee shall apply the proceeds of the sale including a reasonable charge by the attorney, to the trust deed. (3) To all persons having interests of the trustee in the trust order of their priority. (4) The surplus, if any, to the grantor of the trust deed or to his successor in interest.

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, and such appointment and without compensation of the trustee, and a recorded lien subsequent to the date of this trust deed and its place of recording in 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 deed, duly executed and acknowledged by law. The trustee is not obligated under any other deed of trust or of any action or proceeding in which the party unless such action or proceeding is brought by the trustee.

12. This deed applies to, inures to, their heirs, legatees devisees, assigns. The term "beneficiary" shall include the holder and owner, including other or not named as a beneficiary herein. In construing this deed and the covenants hereunder, the masculine gender includes the feminine and the plural.

13. This deed, duly executed and acknowledged by law. The trustee is not obligated under any other deed of trust or of any action or proceeding in which the party unless such action or proceeding is brought by the trustee.

14. This deed applies to, inures to, their heirs, legatees devisees, assigns. The term "beneficiary" shall include the holder and owner, including other or not named as a beneficiary herein. In construing this deed and the covenants hereunder, the masculine gender includes the feminine and the plural.

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16. This deed applies to, inures to, their heirs, legatees devisees, assigns. The term "beneficiary" shall include the holder and owner, including other or not named as a beneficiary herein. In construing this deed and the covenants hereunder, the masculine gender includes the feminine and the plural.

17. This deed applies to, inures to, their heirs, legatees devisees, assigns. The term "beneficiary" shall include the holder and owner, including other or not named as a beneficiary herein. In construing this deed and the covenants hereunder, the masculine gender includes the feminine and the plural.

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

CHARLES P. GALLAGHER (SEAL)

PATRICIA R. GALLAGHER (SEAL)

STATE OF OREGON

County of Klamath } ss

THIS IS TO CERTIFY that on this 16 day of April, 1971

Notary Public in and for said county and state, personally appeared the within named

CHARLES P. GALLAGHER and PATRICIA R. GALLAGHER, husband and wife

to me personally known to be the identical individual named in and who executed the foregoing instrument and 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 first above written.

SEAL  
PUBLIS

Notary Public for Oregon  
My commission expires: 3/30/72

Loan No. _____	STATE OF OREGON
<b>TRUST DEED</b>	County of Klamath } ss.
Grantor _____	I certify _____ the within instrument
TO	was received for record on the 16th
KLAMATH FIRST FEDERAL SAVINGS	day of April, 1971
AND LOAN ASSOCIATION	at 4:28 P. M. and recorded
Beneficiary _____	in book _____ on page 8326
After Recording Return To:	Record of Mages of said County.
KLAMATH FIRST FEDERAL SAVINGS	Witness _____ and seal of County
AND LOAN ASSOCIATION	affixed _____
	By _____ County Clerk
	Deputy
	Fee \$6.

#### 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 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 hereunder, to cancel all evidences of indebtedness secured by said trust deed (which are delivered to you) and to reconvey, without warranty, to the parties designated by the terms of said trust deed the same.

secured by said trust deed the terms of said trust deed or hereunder together with said now held by you under the

Klamath First Federal Savings & Association, Beneficiary

DATED: \_\_\_\_\_, 1971

by \_\_\_\_\_