

THIS TRUST DEED, made this 14th day of December 1972, between
MICHAEL W. HUDSON and DOROTHY M. HUDSON, husband and wife

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION of Klamath Falls, Oregon, a corporation organized and existing under the laws of the United States, as grantor, William Gamong, Jr., as trustee, and

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:

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:

The following described real property situate in Klamath County, Oregon:

The Masterly 31.0 feet of Lot 12 and the Westerly 44.0 feet of Lot 13 of Burnsdale Subdivision of Klamath County, Oregon, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

DEC 23 4 PM 1972

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 awnings, 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 TWO THOUSAND FOUR HUNDRED (\$22,400.00)** 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 **\$160.40** commencing

JANUARY 15, 1973.

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, at any time or times, 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 in 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, that the said premises and property conveyed by this trust deed, free and clear of all encumbrances and that the grantor will and his heirs, executors, administrators, 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 the said property to keep the property free from all encumbrances having pre-

cedence over this trust deed, to complete all buildings in course of construction or, hereafter, constructed on said premises within six months of the date hereof or the date construction is hereafter commenced; to repair and renew promptly and in good workmanlike manner any building or improvement on said property which may be damaged or destroyed and pay, when due, all taxes during construction; to allow beneficiary to inspect said property at all times during construction; to remove any materials unsatisfactory to beneficiary within fifteen days after written notice from beneficiary to grantor; not to remove or destroy any building or improvements now or hereafter 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 or damage to any building, property and improvements now or hereafter erected on said premises, except regular losses 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 and to deliver to the beneficiary a copy of the policy of insurance so approved by the beneficiary, in correct form and with premium paid, to the principal place of business of the company, and within 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-cancelable 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 or other charges and insurance premiums, the grantor agrees to pay to the trustee, together with the principal and interest on the note of obligation secured hereby, 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 while the same are due and payable. This trust deed is to be held in escrow for the several purposes thereof and shall thereupon be charged to the principal of the loan; or, at the option of the beneficiary, the sum 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 or assessed against said property, or any part thereof, before the same begin to bear interest and also to pay premiums on all insurance premiums, an affidavit is made by the grantor that the beneficiary is to pay any and all taxes, assessments and other charges levied against the said property, in the amounts as shown by the statements thereof furnished by the collector of such taxes, assessments or other charges, and to pay the insurance premiums on the amounts shown on the statements submitted by the insurance company or companies, and to charge said sums to the principal of the loan to which the same may be required from the reserve account, if any, established for that purpose. The grantor shall, in no event to hold the beneficiary responsible for failure to have any insurance written or for any loss or damage growing out of a defect in any insurance, and the beneficiary hereby is authorized, in the event of any loss or damage, to compute and deduct the same from the principal of the loan, and to compute 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 reserve account for taxes, assessments, insurance premiums and other charges is not sufficient at any time for the payment of such charges and other debts 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.

If the grantor fail to keep any of the foregoing covenants, then the beneficiary may at its option exercise its right, and all its expenditures therefor shall draw interest at the rate specified in the note, and 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, fees and expenses of this trust, including the cost of title search, as well as attorney, court and expenses of the trustee incurred in connection with or in enforcement of this trust deed, the trustee's and attorney's fees actually incurred; to appear in and defend any action or proceeding in which the trustee may be a party to or interested in, to secure to the trustee the title to, or the rights 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 a 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 mutually 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 grantor shall have the right to commence, prosecute in its own name, appear in defense, as plaintiff, defendant, or otherwise, 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 monies so received be compensated for such taking, which are in excess of the amount received by the grantor, and attorney's fees necessarily paid or incurred by the grantor in such proceedings shall be paid to the beneficiary and, if so 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 same shall be applied upon the indebtedness secured hereby; and the grantor agrees to be liable to the beneficiary for any amount so received by the grantor which is in excess of the amount so received by the beneficiary, and to make 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 expenses, the grantor shall add the note for cancellation (in case of full reconveyance, for cancellation of the mortgage) and have the right of any person for the payment of the indebtedness, the trustee and (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating and restricting thereon, (c) join in any subordination agreement, or (d) consent to the creation of any lien or charge hereof; (d) reconvey, without warranty, all or any part of the title or the item or charge hereof; and 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 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, leases, royalties and profits of the property, and all personal property located thereon. Until the grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement herein contained, the grantor shall have the right to collect all such rents, leases, royalties and profits earned prior to default, and to receive the same due and payable. Upon any default by the grantor hereunder, the beneficiary may at any time without notice, either in person, by agent or by attorney, take possession of the property, and without regard to the adequacy of any security for the indebtedness hereby created, and take possession of the property, or any part thereof, in its own name and for its own account, 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 grantor bears and taking possession of said property, the collecting of such rents, leases and profits, the proceeds of fire and other insurance paid or compensation or award for the taking or damage of the property, and the application or release thereof, as aforesaid shall not care waive any default or notice of default hereunder or hereabove may not done pursuant to

5. The grantor shall notify beneficiary by writing of any sale or conveyance, if it will be required of the grantor to furnish personal information concerning the purchase as a service charge.

6. This is of the essence of this instrument and upon default by the grantor or his wife, the beneficiary may declare all indebtedness hereby incurred and due and payable by delivery to the trustee of written notice of default and election to sell the same 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 necessary documents evidencing expenditures incurred 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 advised may pay the entire amount then due under this trust deed and the obligation secured thereby (including costs and expenses) fully incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding \$60.00 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 as aforesaid, either as a whole or in separate parcels, and in such order as he may determine, at public auction to the highest bidder or cash, in lawful money of the United States, payable at the time of sale. Trustee may postpone sale of all or any portion of the 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 announcement. 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 trustee shall in the event of any transfer of title to the trustee, or to the trustee's heirs, executors, administrators, or assigns, or to any person, extending 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 expenses of sale shall include the compensation of the trustee, and a reasonable charge by his attorney. (2) To the obligation secured by the interests of the trustee in the trust deed, that interests appear in the order of their priority. (3) 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 the trustee named herein, or to any other trustee appointed hereunder. Upon such appointment and without loss of 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 succession shall be made by written instrument dated 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 appointment of the successor trustee.

11. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. The trustee is not obligated to notify any party hereto of pending sale, and 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, relates to the benefit of, and binds all parties herein, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including heirs, 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.

Michael W. Hudson (SEAL)

Dorothy M. Hudson (SEAL)

THIS IS TO CERTIFY that on this 18th day of December 1972, before me, the undersigned, a Notary Public in and for said county and state, personally appeared the within named,

Michael W. Hudson and Dorothy M. Hudson, husband and wife

to me personally known to be the identical individuals named 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.

Lee D. O'Brien

Notary Public for Oregon
My commission expires: 5-14-76

Loc No.	STATE OF OREGON County of Klamath } ss.
TRUST DEED	
Grantor	(DON'T USE THIS SPACE: RESERVED FOR RECORDING LABEL IN COUNTY TIES WHERE USED.)
TO FIRST FEDERAL SAVINGS & LOAN ASSOCIATION Beneficiary	I certify that the within instrument was received for record on the 20th day of DECEMBER 1972 at 4:18 o'clock P.M., and recorded in book M.72 on page 14676 Record of Mortgages of said County.
After Recording Return To: FIRST FEDERAL SAVINGS 540 Main St. Klamath Falls, Oregon	Witness my hand and seal of County affixed.
FEE \$ 1.00	WM. D. MILNE County Clerk <i>Wm. D. Milne</i>

REQUEST FOR FULL RECONVEYANCE
TO KILOMETER COUNTY, OREGON

To be used only when obligations have been paid.

TO: William Gamone, 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.

CIVILIAN LAW OFFICES, DOBROW
First Federal Savings and Loan Association, Beneficiary

DATED: 10/10/72
by _____