

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:

That portion of Lots 5 and 6 in Block 35 of Hot Springs Addition to the City of Klamath Falls, Oregon, described as follows: Beginning at a point on the Northerly line of Manzanita Street, 50 feet in a South-westerly direction from the most Easterly corner of Lot 6 in Block 35; and running thence Northwesterly parallel with Pacific Terrace 100 feet to the Northerly line of Lot 5 in said Block 35; thence Southwesterly along the Northerly line of said Lot 5, 50 feet; thence Southeasterly parallel with Pacific Terrace 100 feet to the Northerly line of Manzanita Street; thence Northeasterly 50 feet to the place of beginning, being the central 50 feet of Lots 5 and 6 in Block 35 of Hot Springs Addition to the City of Klamath Falls, according to the official plat thereof on file in the records of Klamath County, Oregon.

which said described real property is not currently used for agricultural, timber or grazing purposes,

which said described real property is not currently used for agricultural, timber or other 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, ventilating, air-conditioning, refrigerating, watering and irrigation apparatus, equipment and fixtures, together with all awnings, venetian blinds, floor covering in place such as well-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 the performance of each agreement of the grantor herein contained and the payment of the sum of THIRTEEN THOUSAND THREE HUNDRED FIFTY AND NO/100 (\$19,350.00) 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 \$ 168.05 commencing January 15th, 19 75.

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 promissory 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 more than one note, or any of any payment on one note and part on another, 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 all buildings, structures and improvements having pre-said property; to keep all buildings, structures and improvements having pre-said property in the best repair and condition; to complete all buildings in course of construction at the time of the date hereof; to complete all buildings in course of construction hereafter constructed on said premises within six months after the date hereof or the date construction of such buildings is completed; to repair and restore pre-said property and all buildings, structures and improvements on said property in a similar and like manner any building or improvement on pre-said property which may be damaged or destroyed and pay, when required, the cost of such repairs and restoration; to insure pre-said property at all costs incurred therefore; to allow beneficiary to inspect said property at all times during the term of this policy; to place on file with beneficiary a true and correct copy of this policy within fifteen days after written notice from beneficiary of such request; to not remove or destroy any buildings, structures and improvements now or constructed on pre-said property; to keep all buildings, structures and improvements erected upon said property in good repair and to commit or suffer no waste of said premises; to keep all buildings, structures and improvements now or hereafter erected upon said property continuously insured against loss or damage from such hazards as the beneficiary may from time to time require, in a sum not less than the original principal sum of the policy and the amount of any sum or sums acceptable to the beneficiary by this trust deed; to maintain the original policy of insurance in correct form and with the original policy of insurance in full force and effect; to cause the policy to be approved, loss payable clause in favor of the beneficiary at all times and to cause the premium paid, to the principal sum of the policy, to be paid to the beneficiary on the effective date of any such policy of insurance. If the policy of insurance is not so tendered, the beneficiary may cause the policy of insurance to be procured by the beneficiary at the expense of the grantor, and the beneficiary shall obtain insurance for 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 insured herein is alive, hereby in excess of 80% of the lesser of the cash value or the price paid by the grantor at the time the loan was made to 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 principal and interest due on said loan, the principal and obligation secured hereby principal and interest payable upon the maturity of the loan, an amount equal to 1/12 on the taxes, assessments, and other charges due and payable with respect to said property within each succeeding 12 months and also 1/88 of the insurance proceeds payable on the death of the insured herein by the beneficiary. Beneficiary shall pay to the grantor in effect as an estimated payment of the interest on said loan, the interest on said loan on said amounts at a rate not less than the highest rate authorized to be charged by the Federal Reserve Board on the loans of the Federal Reserve Bank of New York on their open passbook accounts minus 3/4 of 1%. The interest on said amounts shall be computed on the average 60% of the rate of interest paid said amounts. The interest on said amounts shall be paid quarterly to the grantor by crediting the same against the principal and interest due.

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acquisition 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 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 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 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 real property; to pay all costs, covenants, conditions and restrictions affecting said real property; to pay all costs, fees and expenses of this trust, including the cost of title search, as well as fees and expenses of the trustee incurred in connection with or in enforcing this obligation, and trustee's and attorney's fees actually incurred in appearing in and defend any action or suit brought to affect the security hereof or to enforce the rights of the beneficiary or trustee; and to pay all expenses, including cost of evidence of title and attorney's fees in any action or suit brought to enforce the rights of the beneficiary or trustee; and to pay a reasonable sum to be fixed by the court, in and out of the principal of the trust, 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:

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 beneficiary shall have the right to commence, prosecute, defend, or otherwise be heard in its own name, appear in or defend any action, suit, or proceeding, and 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 may be in excess of the amount payable to the beneficiary, in such proceedings, shall be paid to the beneficiary or incurred 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 grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon the beneficiary's request.

request.

2. At any time and from time to time upon written request of the beneficiary, the trustee will reconvey, for cancellation, without affecting the foreclosure (in payment of its fees and presentation of this deed and the Note for recording), any moneys for the payment of the indebtedness, the trustee may (a) consent to the making of any map or plat and add property; (b) join in granting any easement or creating or restricting any other interest; (c) execute any instrument; or (d) release or clear the lien or charge thereon; (e) recover, or other agreement; or (f) do any act which may be deemed to be in the best interests of the beneficiary, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled to the same" and the records therein of any matters shall be binding upon the trustee in proof of the truthfulness thereof. Trustee's fee for any of the services in this paragraph \$50.00.

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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 preceding postponement. The trustee shall deliver to the purchaser his deed in form as required by law, conveying the property as sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including 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 obligations 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 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 consent of the grantor, the 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 proper 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 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, legal representatives, administrators, executors, successors and assigns. The term "beneficiary" shall mean the holder and owner, including pledgees, 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.

Edward John Lydon (SEAL)

Barbara A. Lydon (SEAL)

STATE OF OREGON } ss.
County of Klamath

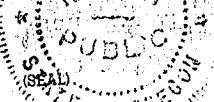
THIS IS TO CERTIFY that on this 2nd day of December, 1975, before me, the undersigned, a

Notary Public in and for said county and state, personally appeared the within named EDWARD JOHN LYDON AND BARBARA A. LYDON, 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.



Edward J. Brown
Notary Public for Oregon
My commission expires: 11-12-78

Loan No. _____		STATE OF OREGON } ss. County of Klamath	
TRUST DEED		I certify that the within instrument was received for record on the <u>3rd</u> day of <u>DECEMBER</u> , 19 <u>75</u> at <u>3:51</u> o'clock <u>P.M.</u> , and recorded in book <u>M.75</u> on page <u>15210</u> Record of Mortgages of said County.	
TO _____			
Grantor			
TO		Witness my hand and seal of County affixed.	
FIRST FEDERAL SAVINGS & LOAN ASSOCIATION		<u>WM. D. MILNE</u> County Clerk	
Beneficiary		By <i>Hazel Drazie</i> Deputy	
After Recording Return To:		FEE \$ 6.00	
FIRST FEDERAL SAVINGS			
640 Main St. 2943864			
Klamath Falls, Oregon			

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: William Ganong, 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.

First Federal Savings and Loan Association, Beneficiary

by _____

DATED: _____, 19____

STATE
Per

Official Seal
NOTARY
PUBLIC