

36562

TRUST DEED

Vol. 188 Page 7932

THIS TRUST DEED, made this 27th day of April, 19 84, between  
Tri-County Ag Services, Inc., an Oregon Corporation

as Grantor, William P. Brandness  
SOUTH VALLEY STATE BANK, 5215 South Sixth Street,  
as Beneficiary, Klamath Falls, Oregon 97603, as Trustee, and

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

Any interest of grantor as it may appear in the real property described in  
attached Exhibit A, by this reference made a part herein.

This document represents 1 of 4 documents (3 Security Agreements and 1 Trust Deed)  
describing collateral securing a \$500,000.00 note of this date, copy of which is  
hereby attached.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise  
now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connec-  
tion with said real estate.  
FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the  
sum of \*Five hundred thousand dollars\*\* (\$500,000.00)

note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if  
not sooner paid, to be due and payable according to the terms of a promissory  
The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note  
becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be  
sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the beneficiary,  
then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or  
herein, shall become immediately due and payable.

The above described real property is not currently used for agricultural, timber or grazing purposes.

To protect the security of this trust deed, grantor agrees:  
1. To protect, preserve and maintain said property in good condition  
and repair; not to remove or demolish any building or improvement thereon;  
not to commit or permit any waste of said property;

2. To complete or restore promptly and in good and workmanlike  
manner any building or improvement which may be constructed, damaged or  
destroyed; and pay when due all costs incurred therefor;

3. To comply with all laws, ordinances, regulations, covenants, condi-  
tions and restrictions affecting said property; if the beneficiary so requests, to  
join in executing such financing statements pursuant to the Uniform Commer-  
cial Code as the beneficiary may require and to pay for filing same in the  
proper public office or offices, as well as the cost of all lien searches made  
by filing officers or searching agencies as may be deemed desirable by the  
beneficiary;

4. To provide and continuously maintain insurance on the buildings  
now or hereafter erected on the said premises against loss or damage by fire  
and such other hazards as the beneficiary may from time to time require, in  
an amount not less than \$ 100,000 n/a

5. To keep said premises free from construction liens and to pay all  
taxes, assessments and other charges that may be levied or assessed upon or  
against said property before any part of such taxes, assessments and other  
charges become past due or delinquent and promptly deliver receipts therefor  
to the beneficiary; should the grantor fail to make payment of any taxes, assess-  
ments, insurance premiums, liens or other charges payable by grantor, either  
by direct payment or by providing beneficiary with funds with which to  
make such payment, beneficiary may, at its option, make payment thereof,  
and the amount so paid, with interest at the rate set forth in the note secured  
hereby, together with the obligations described in paragraphs 6 and 7 of this  
trust deed, shall be added to and become a part of the debt of grantor  
secured by this deed, without waiver of any rights arising from breach of any of  
this covenants hereof for such payments with interest as aforesaid; and of the  
same extent that they are bound for the payment of the obligation herein  
described, and all such payments shall be immediately due and payable with-  
out notice, and the nonpayment hereof shall, at the option of the beneficiary,  
constitute a default under this trust deed immediately due and payable and

6. 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 actually incurred;

7. To appear in and defend any action or proceeding purporting to  
affect the security rights or powers of beneficiary or trustee, and in any suit,  
action or proceeding in which the beneficiary or trustee may appear, including  
any suit for the foreclosure of this deed, to pay all costs and expenses, includ-  
ing amount of attorney's fees and the beneficiary's or trustee's attorney's fees, in-  
curred by the trial court and in the event of an appeal from any judgment or  
decree of the trial court, grantor further agrees to pay such sum as the ap-  
pellate court shall adjudge reasonable as the beneficiary's or trustee's attor-  
ney's fees on such appeal.

8. It is mutually agreed that:  
under the right of eminent domain or condemnation, beneficiary shall have the  
right, if it so elects, to require that all or any portion of the monies payable  
as compensation for such taking, which are in excess of the amount required  
to pay all reasonable costs, expenses and attorney's fees necessarily paid or  
incurred by grantor in such proceedings, shall be paid to beneficiary and not  
applied by it for and on any reasonable costs and expenses and attorney's fees,  
incurred in such proceedings, and the balance applied and paid or incurred by ben-  
eficiary and grantor agrees, at its own expense, to take such actions  
and execute such instruments as shall be necessary in obtaining such com-  
pensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of ben-  
eficiary, payment of its fees and presentation of this deed and the note for  
endorsement (in case of full reconveyances, for cancellation), without affecting  
the liability of any person for the payment of the indebtedness, trustee may

(a) consent to the making of any map or plat of said property; (b) join in  
granting any easement or creating any restriction thereon; (c) join in any  
subordination or other agreement affecting this deed or the lien or charge  
thereon; (d) reconvey, without warranty, all or any part of the property, or  
any interest therein, to the person or persons legally entitled thereto; and the  
beneficiary's fees for any of the foregoing shall be not less than \$5.  
10. Upon any default by grantor hereunder, beneficiary may at any  
time without notice, either in person, by agent or by a receiver to be ap-  
pointed by a court, and without regard to the adequacy of any security for  
the indebtedness hereby secured, enter upon and take possession of said prop-  
erty, or any part thereof, in its own name sue or otherwise collect the rents,  
issues and profits, including those past due and unpaid, and apply the same  
towards payment of any indebtedness secured hereby, and in each order as ben-  
eficiary may determine.

11. The entering upon and taking possession of said property, the  
collection of such rents, issues and profits, or the proceeds of the sale 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.

12. Upon default by grantor in payment of any indebtedness secured  
hereby or in his performance of any agreement hereunder, the beneficiary may  
declare all sums secured hereby immediately due and payable. In such an  
event the beneficiary at his election may proceed to foreclose this trust deed  
in equity as a mortgage or direct the trustee to foreclose this trust deed by  
advertisement and sale. In the latter event the beneficiary or the trustee shall  
execute and cause to be recorded his written notice of default and his election  
to sell the said described real property to satisfy the obligations secured  
hereby, whereupon the trustee shall in the time and place of sale, give notice  
thereof as then required by law and proceed to foreclose this trust deed in  
the manner provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale  
then after default at 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 by  
ORS 86.760, may pay to the beneficiary or his successors in interest, respec-  
tively, the entire amount then due under the terms of the trust deed and the  
obligation secured thereby (including costs and expenses actually incurred in  
enforcing the terms of the obligation and trustee's and attorney's fees not ex-  
ceeding the amounts provided by law) other than such portion of the prin-  
cipal as would not then be due had no default occurred, and thereby cure  
the default, in which event all foreclosure proceedings shall be dismissed by  
the trustee.

14. Otherwise, the sale shall be held on the date and at the time and  
place designated in the notice of sale or the time to which said sale may  
be postponed as provided by law. The trustee may sell said property either  
in one parcel or in separate parcels and shall sell the parcel or parcels at  
auction to the highest bidder for cash, payable at the time of sale. Trustee  
shall deliver to the purchaser its deed in form as required by law conveying  
the property so sold, but without any covenant or warranty, express or im-  
plied. The recitals in the deed of any matters of fact shall be conclusive proof  
of the truthfulness thereof. Any person, excluding the trustee, but including  
the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee  
shall apply the proceeds of sale to payment of (1) the expenses of sale, in-  
cluding the compensation of the trustee and a reasonable charge for trustee's  
attorney, (2) to the obligation secured by the trust deed, (3) to all persons  
claiming an interest in the property, in the order of their priority and (4) the  
surplus, if any, to the grantor or to his successor in interest entitled to such  
surplus.

16. For any reason permitted by law 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 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.

17. Trustee accepts this trust when this deed, duly executed and  
acknowledged is made a public record as provided by law. Trustee is not  
obligated to notify any party hereto of pending sale under any other deed or  
trust or of any action or proceeding in which grantor, beneficiary or trustee  
shall be a party unless such action or proceeding is brought by trustee.

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney, who is an active member of the Oregon State Bar, a bank, trust company  
or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to issue title in this  
property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 86.020 to 86.025.



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Exhibit A

Deed of Trust executed by Tri-County Ag Services, Inc.  
to South Valley State Bank (Beneficiary)  
dated April 27, 1984

All of the following real property located in Klamath County,  
Oregon:

Parcel 1: Beginning at a point 40 feet South and 114 feet 7 inches East of corner common to Sections 1 and 2 and 11 and 12, Township 41 South, Range 10 East, Willamette Meridian; thence South a distance of 101 feet 6 inches; thence East 55 feet 5 inches; thence North 101 feet 6 inches; thence West 55 feet 5 inches to point of beginning, being portion of Lot 2 in Section 12 in said Township and Range in Klamath County, Oregon.

Parcel 2: Beginning at a point 50 feet East and 157.5 feet South of the Section corner common to Sections 1, 2, 11, and 12, Township 41 South, Range 10 East, Willamette Meridian; thence East a distance of 64 feet 7 inches; thence North 16 feet; thence East a distance of 125.5 feet; thence South a distance of 100 feet; thence West a distance of 190.2 feet; thence North 84 feet to the point of beginning, and being a portion of Lot 2 of Section 12, Township 41 South, Range 10 East, Willamette Meridian, in Klamath County, Oregon.

ASSIGNMENT OF LEASE

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FOR VALUE RECEIVED, TRI-COUNTY AG SERVICES, INC., an Oregon Corporation, hereby assigns to South Valley State Bank, that certain Lease dated April 14, 1981, between Mildred Walker, Lessor and Walker Ag Co., Inc., Lessee. Copies of said Lease and Addendum dated April 15, 1984, are attached hereto as Exhibit "A".

The parties hereto have executed this Agreement as of the 3rd day of May, 1984.

TRI-COUNTY AG SERVICES, INC.

BY Alfred A. Herman  
Alfred A. Herman, President

SOUTH VALLEY STATE BANK

By: Allan L. Craigmiles  
Allan L. Craigmiles, President

STATE OF OREGON )  
County of Klamath ) ss.

This instrument was acknowledged before me on the 3rd day of May, 1984, by Alfred A. Herman, as President of Tri-County Ag Services, Inc.

Terrie L. Stochton  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 3-14-87

STATE OF OREGON )  
County of Klamath ) ss.

This instrument was acknowledged before me on the 3rd day of May, 1984, by Allan L. Craigmiles, as President of South Valley State Bank.

Terrie L. Stochton  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 3-14-87

## NOTE

SBA LOAN NUMBER

GP 184116 30 00 PTD

F. 7936

\$ 500,000.00

Merrill, Oregon

(City and State)

For value received, the undersigned promises to pay to the order of

(Date) April 27, 1984

SOUTH VALLEY STATE BANK

at its office in the city of Klamath Falls (Payee)

or at holder's option, at such other place as may be designated from time to time by the holder, State of Oregon

FIVE HUNDRED THOUSAND AND NO/100

(Write out amount)

with interest on unpaid principal computed from the date of each advance to the undersigned at the rate of (see below) percent per annum, payment to be made in installments as follows:

1. Installments of \$7,689.00, payable monthly, beginning two months from date hereof, including principal and interest at a rate of two and three-quarters percent above the prime rate, to be adjusted quarterly on a calendar quarter basis.
  2. Each said installment shall be applied first to interest accrued to the date of receipt of said installment, and the balance, if any, to principal.
  3. The balance of principal and interest payable ten years from date hereof. (SEE REVERSE) The interest rate as of the date hereof is thirteen and three-quarters percent (13-3/4%) per annum. This is a variable interest rate loan in which the interest rate will fluctuate in accordance with the low prime rate (base rate) as published in the Money Rate Section of the West Coast Edition of the Wall Street Journal. The interest rate (spread) to be added to the base rate at the beginning of each adjustment period will be two and three-quarters percent (2-3/4%). Each adjustment period will be for three months. The interest rate on this Note shall increase or decrease by adding the interest rate spread to the base rate as of the beginning of each adjustment period commencing with the adjustment period beginning after one full calendar period subsequent to the date hereof. Holder shall give written notice to SBA and to the undersigned of each increase or decrease in the interest rate within ten days after the effective date of each rate adjustment.
- If the undersigned shall be in default in payment due on the indebtedness herein and the Small Business Administration (SBA) purchases its guaranteed portion of said indebtedness, the rate of interest on both the guaranteed and unguaranteed portions herein shall become fixed at the rate in effect as of the date of default. If the undersigned shall not be in default in payment when SBA purchases its guaranteed portion, then the rate of interest on the unguaranteed portion herein shall be fixed at the rate in effect as of the date of purchase by SBA.

Payment of any installment of principal or interest owing on this Note may be made prior to the maturity date thereof without penalty.

The term "Indebtedness" as used herein shall mean the indebtedness evidenced by this Note, including principal, interest, and expenses, whether contingent, now due or hereafter to become due and whether heretofore or contemporaneously herewith or hereafter contracted. The term "Collateral" as used in this Note shall mean any funds, guaranties, or other property or rights therein of any nature whatsoever or the proceeds thereof which may have been, are, or hereafter may be, hypothecated, directly or indirectly by the undersigned or others, in connection with, or as security for, the indebtedness or any part thereof. The Collateral, and each part thereof, shall secure the Indebtedness and each part thereof. The covenants and conditions set forth or referred to in any and all instruments of hypothecation constituting the Collateral are hereby incorporated in this Note as covenants and conditions of the undersigned with the same force and effect as though such covenants and conditions were fully set forth herein.

The Indebtedness shall immediately become due and payable, without notice or demand, upon the appointment of a receiver or liquidator, whether voluntary or involuntary, for the undersigned or for any of its property, or upon the filing of a petition by or against the undersigned under the provisions of any State insolvency law or under the provisions of the Bankruptcy Reform Act of 1978, as amended, or upon the making by the undersigned of an assignment for the benefit of its creditors. Holder is authorized to declare all or any part of the Indebtedness immediately due and payable upon the happening of any of the following events: (1) Failure to pay any part of the Indebtedness when due; (2) nonperformance by the undersigned of any agreement with, or any condition imposed by, Holder or Small Business Administration (hereinafter called "SBA"), or either of them, with respect to the Indebtedness; (3) Holder's discovery of the undersigned's failure in any application of the undersigned to Holder or SBA to disclose any fact deemed by Holder to be material or of the making thereof or in any of the said agreements, or in any affidavit or other documents submitted in connection with said application or the making thereof or in any of the provisions of the Bankruptcy Reform Act of 1978, as amended; (4) the reorganization (other than a reorganization pursuant to any of the provisions of the Bankruptcy Reform Act of 1978, as amended) or merger or consolidation of the undersigned for the making of any agreement thereof without the prior written consent of Holder; (5) the undersigned's failure duly to account, to Holder's satisfaction, at such time or times as Holder may require, for any of the Collateral, or proceeds thereof, coming into the control of the undersigned; or (6) the institution of any suit affecting the undersigned deemed by Holder to affect adversely its interest hereunder in the Collateral or otherwise. Holder's failure to exercise its rights under this paragraph shall not constitute a waiver thereof.

Tri-County AG Services, Inc.  
GP 184116 30 00 PTD

Upon the nonpayment of the Indebtedness, or any part thereof, when due, whether by acceleration or otherwise, Holder is empowered to sell, assign, and deliver the whole or any part of the Collateral at public or private sale, without demand, advertisement or notice of the time or place of sale or of any adjournment thereof, which are hereby expressly waived. After deducting all expenses incidental to or arising from such sale or sales, Holder may apply the residue of the proceeds thereof to the payment of the Indebtedness, as it shall deem proper, returning the excess, if any, to the undersigned. The undersigned hereby waives all right of redemption or appraisal whether before or after sale.

Holder is further empowered, to collect or cause to be collected or otherwise to be converted into money all or any part of the Collateral, by suit or otherwise, and to surrender, compromise, release, renew, extend, exchange, or substitute any item of the Collateral in transactions with the undersigned or any third party, irrespective of any assignment thereof by the undersigned, and without prior notice to or consent of the undersigned or any assignee. Whenever any item of the Collateral shall not be paid when due, or otherwise shall be in default, whether or not the indebtedness, or any part thereof, has become due, Holder shall have the same rights and powers with respect to such item of the Collateral as are granted in respect thereof in this paragraph in case of nonpayment of the Indebtedness, or any part thereof, when due. None of the rights, remedies, privileges, or powers of Holder expressly provided for herein shall be exclusive, but each of them shall be cumulative with and in addition to every other right, remedy, privilege, and power now or hereafter existing in favor of Holder, whether at law or in equity, by statute or otherwise.

The undersigned agrees to take all necessary steps to administer, supervise, preserve, and protect the Collateral; and regardless of any action taken by Holder, there shall be no duty upon Holder in this respect. The undersigned shall pay all expenses of any nature, whether incurred in or out of court, and whether incurred before or after this Note shall become due at its maturity date or otherwise, including but not limited to reasonable attorney's fees and costs, which Holder may deem necessary or proper in connection with the satisfaction of the Indebtedness or the administration, supervision, preservation, protection of (including, but not limited to, the maintenance of adequate insurance) or the realization upon the Collateral. Holder is authorized to pay at any time and from time to time any or all of such expenses, add the amount of such payment to the amount of the Indebtedness, and charge interest thereon at the rate specified herein with respect to the principal amount of this Note.

The security rights of Holder and its assigns hereunder shall not be impaired by Holder's sale, hypothecation or rehypothecation of any note of the undersigned or any item of the Collateral, or by any indulgence, including but not limited to (a) any renewal, extension, or modification which Holder may grant with respect to the Indebtedness or any part thereof, or (b) any surrender, compromise, release, renewal, extension, exchange, or substitution which Holder may grant in respect of the Collateral, or (c) any indulgence granted in respect of any endorser, guarantor, or surety. The purchaser, assignee, transferee, or pledgee of this Note, the Collateral, any guaranty, and any other document (or any of them), sold, assigned, transferred, pledged, or repledged, shall forthwith become vested with and entitled to exercise all the powers and rights given by this Note and all applications of the undersigned to Holder or SBA, as if said purchaser, assignee, transferee, or pledgee were originally named as Payee in this Note and in said applications or applications.

This promissory note is given to secure a loan which SBA is making or in which it is participating and, pursuant to Part 101 of the Rules and Regulations of SBA (13 C.F.R. 101.11(d)), this instrument is to be construed and (when SBA is the Holder or a party in interest) enforced in accordance with applicable Federal law.

4. Borrower further agrees that should interest accrued in any one month exceed monthly payment, Borrower shall pay said difference to Bank in that month.

Tri-County AG Services, Inc.

By: Alfred A. Hansen  
President

Attest: Johnnie D. Crowell  
Secretary

Note.—Corporate applicants must execute Note, in corporate name, by duly authorized officer, and seal must be affixed and duly attested. Partnership applicants must execute Note in firm name, together with signature of a general partner.

SBA FORM 147 (3-80)

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SFO 472-214

STATE OF OREGON: COUNTY OF KLAMATH:ss  
I hereby certify that the within instrument was received and filed for record on the 14th day of May A.D., 19 84 at 11:28 o'clock A M, and duly recorded in Vol M84, of Mortgages on page 7932.

EVELYN BIEHN, COUNTY CLERK

by: Johnnie D. Crowell, Deputy

Fee: \$20.00