

TRUST DEED

Vol. M85 Page 12894 ④

as Beneficiary,

WITNESSETH:

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

See attached Exhibit A by this reference made a part hereof.

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 connection with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of Sixty-Nine Thousand Five Hundred and No/100 Dollars, with interest thereon according to the terms of a promissory note made by said grantor and interest hereof, if

sum of Sixty-Nine Thousand Five Hundred and No/100 Dollars, with interest thereon according to the terms of a promissory 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 June 17, 1986.
 maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note is due, and if the principal or any interest therein is sold, agreed to be sold, or otherwise disposed of, the date of such sale, agreement or disposition shall be the date of maturity of this instrument.

note of even date herewith, payable to beneficiary, June 17, 1986.
not sooner paid, to be due and payable June 17, 1986 on which the final installment of said note
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.
herein, shall become immediately due and payable.

herein, shall become immediately due and payable. The above described real property is not currently used for agricultural, timber or grazing purposes.

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.

(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 thereof; (d) reconvey, without warranty, 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 true and correct.

and in good and workmanlike condition, and the same shall be maintained in good and workmanlike condition.

Trustee's fees for any of the

not to commit or permit any act which may tend to restore promptly and in good and workmanlike manner the building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all all taxes, assessments, taxes, levies, and ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing such financing statements pursuant to any law for filing same in the civil Code; as the beneficiary may be notified by any for filing same in the proper public offices or searching agencies as may be deemed desirable by the beneficiary.

10. Upon any default by grantor hereunder, the beneficiary may at any time without notice, either in person, by a duly authorized officer or agent, to the adequacy of any security for the debt hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise, and apply the same issues and profits, including the proceeds of sale, to the satisfaction of the debt and costs of execution and collection, including reasonable attorney's fees and expenses of collection, and in such order as the beneficiary may direct.

11. If the beneficiary is indebtedness secured hereby, and in such order as the beneficiary may direct.

by filing officers or searching agents. The beneficiary 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 \$ 69,500.00 loss payable to the latter; all companies acceptable to the beneficiary, and the beneficiary as soon as insured; policies of insurance shall be delivered to the beneficiary and to any person if the grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings. The beneficiary may procure the same at grantor's expense. The beneficiary may procure any fire or other insurance policy may be applied to the beneficiary's interest in any indebtedness secured hereby and in such order as the beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

11. 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, 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.

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 event the beneficiary at his election may proceed to foreclose his trust deed by advertisement and sale. In the latter event the beneficiary or the trustee shall advertise 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 by the trust deed at the time and place of sale, give notice of such sale to the

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 beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either the grantor or the beneficiary with funds with which

to beneficiary; should the grantor, his heirs or other charges payable by grantor, either personally or through a third party, be liable for any taxes, duties, assessments, or contributions, insurance premiums, by providing beneficiary with funds with which to pay the same, by direct payment, beneficiary may, at its option, make payment of the same out of the proceeds of the amount so paid, with interest at the rate set forth in paragraph 6 hereof, and the amount so paid, with interest at the rate set forth in paragraphs 6 and 7 of this deed, together with the obligations deemed a part of the debt secured by this trust deed, shall be added to any of the rights arising from breach of any of the covenants, conditions and terms of this deed, and shall be deemed to be a part of the obligations and for such payments, with interest as aforesaid, and the proceeds of the sale of the property hereinafter described, as well as the grantor, shall be bound to the obligation herein made, to the extent that they are bound for the payment of the obligations secured by the deed hereinafter described, and all such payments shall be immediately due and payable with interest, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed immediately due and payable and shall render all sums secured by this trust deed immediately due and payable and shall constitute a breach of this trust deed.

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 and attorney in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred, in and defend any action or proceeding purporting to

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 foreclosure of this deed, to pay all costs and expenses, including the cost of defense of title and the beneficiary's or trustee's attorney's fees; the defense of attorney's fees mentioned in this paragraph in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor or grantor's agent agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

8. To acknowledge that:

8. In the event that any portion or all of said property shall be taken 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 the 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 to grantor in full upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate proceedings, necessarily paid or incurred by beneficiary in such proceedings; and grantor agrees, at its own expense, to take such action as may be necessary to cause the balance applied upon the indebtedness secured hereby; and the costs and expenses necessarily paid or incurred in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, payment of its fees and expenses to the extent of the monies payable for endorsement (in case of full releases, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may

(c) consent to the making of any map or plat of said property; (d) join in any granting any easement or creating any restriction thereon; (e) join in any subordination or other agreement affecting the lien or charge of the mortgage; (f) reconvey, without warranty, all or any part of the property. The trustee shall execute and deliver such documents as may be described as the "person or persons grantee in any reconveyance," and the recitals therein of any matters or facts shall be deemed true and correct, and the recitals thereof shall constitute prima facie evidence of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$____ per diem.

be conclusive proof that the amount of the debt or obligation secured by this paragraph shall be not less than \$5,000.00.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent, or by attorney, cause to be appointed by a court, and take possession of any security for the debt or obligation so secured, enter upon and take possession of said property in whole or in part, or any part thereof, in its own name sue or otherwise sue, defend, compromise, settle, or otherwise dispose of the same, and apply the same, issues and profits, including those past and future, to the satisfaction of the debt or obligation so secured, and the costs and expenses of operation and collection, including reasonable attorney's fees and expenses, and the balance of the proceeds of the sale of the property so indebtedness secured hereby, and in such order as beneficiary may determine.

11. Upon the termination of the term of this security agreement, the beneficiary may determine to retain possession of said property, the

11. 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.

12. Upon default by 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. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or discontinue his efforts to foreclose this trust deed in equity as a mortgage and cause to be recorded his written notice of default and advertisement and cause to be recorded his written notice of obligations secured to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall proceed to foreclose this trust deed in thereof as then 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, respectively, 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 exceeding the amounts provided by law) other than such portion of the principal 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 so provided by law. The trustee may sell said parcels either in one parcel or in separate parcels and shall sell the parcels in parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed, covenant or warranty, express or implied. The recitals in any deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the trustor, 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, including the compensation of the trustee and a reasonable attorney's fee, (2) to the obligation secured by the trust, (3) to all persons claiming an interest in the property, (4) to the interest of the trustee in the trust having recorded interests may appear in the order of their priority and (5) to the decedent's estate. If there is a surplus in interest entitled to such 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 trust herein named and all title, powers and duties conferred upon any trustee herein named or appointed hereunder, known as the trust herein named, shall be vested with the trustee so appointed and substitution shall be made by written instrument duly executed by beneficiary, containing reference to this 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.

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 insure title to real estate, or an escrow agent licensed under ORS 696.505 to 696.585.

The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is lawfully seized in fee simple of said described real property and has a valid, unencumbered title thereto

and that he will warrant and forever defend the same against all persons whomsoever.

[Handwritten signature]

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) ~~primarily for grantor's personal, family, household or agricultural purposes (see Important Notice below)~~
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes other than agricultural purposes.

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract 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 the neuter, and the singular number includes the plural.

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

* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act is not required, disregard this notice.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

By: *[Signature]* **Greater Klamath Development Corporation**
President
Treasurer

STATE OF OREGON,
County of Klamath } ss.
August 13, 1985
Personally appeared the above named
Richard W. Sexton
Steven Sorenson

STATE OF OREGON, County of Klamath } ss.
August 13, 1985
Personally appeared Richard W. Sexton and
Steven Sorenson who, each being first
duly sworn, did say that the former is the
president and that the latter is the
secretary of **Greater Klamath Development Corporation**

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:
[Signature]
Notary Public for Oregon
My commission expires: 3-14-87

and acknowledged the foregoing instrument to be their voluntary act and deed.
Before me:
Notary Public for Oregon
My commission expires: 3-14-87



REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, 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. Mail reconveyance and documents to _____, 19____.

DATED: _____, 19____
Beneficiary

Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for cancellation before reconveyance will be made.

TRUST DEED

(FORM No. 681)
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Grantor
Beneficiary

AFTER RECORDING RETURN TO
SOUTH VALLEY STATE BANK
P. O. BOX 5210
KLAMATH FALLS, OREGON 97601

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,
County of _____ } ss.
I certify that the within instrument
was received for record on the _____ day
of _____, 19____,
at _____ o'clock _____ M., and recorded
in book/reel/volume No. _____ on
page _____ or as fee/file/instru-
ment/microfilm/reception No. _____,
Record of Mortgages of said County.
Witness my hand and seal of
County affixed.

By: _____
NAME TITLE
Deputy

EXHIBIT "A"

12896

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

A parcel of land located in the Southeast quarter of the Southeast quarter of Section 5, Township 39 South, Range 9 E.W.M., and being a portion of Government Lots 4 and 5, said Section, Township and Range, more particularly described as follows: Beginning at a point on the North line of said SE $\frac{1}{4}$ SE $\frac{1}{4}$ which is East along said line a distance of 477.42 feet from the Northwest corner thereof; thence continuing East along said North line a distance of 389.88 feet to a point; thence South 0°43' West a distance of 460.7 feet to a point on the Northwesterly line of a parcel of land deeded to Great Northern Railway Co. by deed recorded October 21, 1927, in Volume 76 page 635, records of Klamath County, Oregon, thence South 28°43' West, along said Northwesterly line, a distance of 590.02 feet to the Northeasterly corner of a parcel of land deeded to California-Oregon Power Co. by deed recorded December 16, 1953, in Volume 264, page 436, records of Klamath County, Oregon; thence West, along the North line of said parcel, a distance of 521.75 feet to the East line of a parcel of land deeded to Klamath County for road purposes by deed recorded November 17, 1948, in Volume 226 page 429, records of Klamath County, Oregon; thence North, along the East line of said parcel, to a point which is South along said line, a distance of 208.71 feet from the North line of said Southeast quarter of Southeast quarter, said point also being the Southwest corner of a parcel of land deeded by City of Klamath Falls, to H. A. Mitschelm, et ux, recorded on November 16, 1948, in Volume 226 page 422, records of Klamath County, Oregon; thence East, along the South line of said parcel, a distance of 417.42 feet; thence North, along the East line thereof, 208.71 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of _____ the _____ day
of August A.D., 19 85 at 3:29 o'clock P M., and duly recorded in Vol. M85
of Mortgages on Page 12894

FEE \$13.00

Evelyn Biehn
By _____ County Clerk