

57370

JAN 15 1986

TRUST DEED

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THIS TRUST DEED, made this 15th day of JANUARY, 1986, between

RICHARD R. BATSELL

as Grantor,

WILLIAM P. BRANDNESS
SOUTH VALLEY STATE BANK

as Trustee, and

as Beneficiary,

WITNESSETH

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

THE EAST ONE-HALF OF LOT 4 IN BLOCK 7, FIRST ADDITION TO PINE GROVE PONDEROSA, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

THIS IS ONE OF FOUR DOCUMENTS SECURING THIS LOAN.

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 ONE HUNDRED FIVE THOUSAND AND NO/100-----

with rights to future advances and renewals 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 JANUARY 15, 1987.

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 nor to remove or alter any part 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 thereon and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property if the beneficiary in requests in person or requesting such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require, and to pay the filing same in the proper public office or offices, as well as the cost of all law searches made by title officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and maintain minimum insurance on the buildings and such other hazards as the trustee from time to time require, in an amount not less than the full amount.

5. To provide and maintain minimum insurance on the buildings and such other hazards as the trustee from time to time require, in an amount not less than the full amount. The amount of insurance shall be delivered to the beneficiary as soon as insured. If the grantor shall fail for any reason to procure any such insurance and to deliver notices 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 amount indicated under any two or three insurance policies may be applied by beneficiary upon any indebtedness secured hereby, and in such order as 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 constitute a breach of this trust deed, nor shall it constitute a breach of any time provided to such notice.

6. 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. Grantor shall make payment of any taxes, assessments, 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 the principal of the debt secured by this trust deed without waiver of any rights arising from breach of any of the covenants herein and such payments, with interest as aforesaid, the property hereinafter described as well as the grantor shall be bound to the same extent that they are bound to the payment of the obligation herein described and all such payments shall be immediately due and payable with no notice and the unpaid balance shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

7. 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 attorneys' fees actually incurred.

8. 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 enforcement of this deed to pay all costs and expenses, including reasonable costs and the beneficiary's or trustee's attorney's fees, the amount of attorney's fees mentioned in the paragraph "8" in all cases shall be paid by the trust deed and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such costs as the appellate court shall award reasonable as to the beneficiary's or trustee's attorney's fees in such appeal.

It is mutually agreed that:

9. In the event that the grantor or all of said property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right of it in order to require that all or any portion of the money 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 applied by a third party or reasonable costs and expenses and attorney's fees, such as the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings and the balance applied upon the indebtedness secured hereby and grantor agrees to do so as to pay to take such actions and execute such instruments as shall be necessary in obtaining such compensation promptly upon beneficiary's request.

10. At any time and from time to time upon written request of beneficiary, payment of its fees and preservation of this deed and the note for enforcement in case of full non-payment by beneficiary, without affecting the liability of any person for the payment of the indebtedness, trustee may

grant consent to the making of any map or plat of said property, to join in granting any easement or creating any restriction thereon, to join in any subdivision or other agreement affecting the deed or the land or change thereof, to discontinue without warranty all or any part of the property. The grantee in any conveyance 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 mentioned in this paragraph shall be not less than \$5.

11. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person or by its agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property, or any part thereof, in its own name, use or otherwise, collect the rents, issues and profits, including the rents, issues and profits, and apply the same to pay the principal and interest on the indebtedness secured hereby, and in such order as beneficiary may determine.

12. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of the sale 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 constitute a breach of this trust deed, nor shall it constitute a breach of any time provided to such notice.

13. 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 by advertisement and sale, 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 fix 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 86.745.

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 his successors in interest, or 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 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 in 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, 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, including the compensation of the trustee and a reasonable charge for trustee's attention; (2) the obligation secured by the trust deed; (3) to all persons having recorded liens subsequent to the recording of the trustee in the trust deed, in the order of their priority; and (4) the balance, if any, to the grantor or to his successors 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 in any successor trustee appointed hereunder. Upon such appointment and without conveyance to the successor trustee, the deed shall be void with all debt hereunder. Each such appointment and substitution shall be recorded in the instrument executed by beneficiary, containing reference to this trust deed and its place of record, which shall be recorded in the office of the County Clerk. If the trustee or the trustee's successors in which the property is situated, shall be reasonable proof of proper appointment of the successor trustee.

17. Trustee accepts this deed when this deed is executed and acknowledged in made a public record or recorded by law. Trustee is not obligated to make any part, herein of pending sale under any other deed of 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 insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.525.

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

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(a) 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 pledgees, 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 reciting required disclosures; for this purpose, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Mess Form No. 1205 or equivalent; if this instrument is NOT to be a first lien, or is not to finance the purchase of a dwelling use Stevens-Mess Form No. 1206, 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 appears)

STATE OF OREGON.

County of Klamath
January 15

Personally appeared the above named
Richard R. Batsell

STATE OF OREGON, County of

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Personally appeared

and
who, each being first

duly sworn, did say that the former is the
president and that the latter is the
secretary of

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

Notary Public for Oregon

(OFFICIAL
SEAL)

My commission expires

4-17-89

and acknowledged the foregoing instru-
his voluntary act and deed

Before me

Notary Public for Oregon

My commission expires

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid

Trustee

TO

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

DATED

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Beneficiary

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

TRUST DEED

(FORM No. 581)

STEVENS-MESS, LAW FIRM CO. PORTLAND, ORE.

Grantor

SPACE RESERVED
FOR
RECORDER'S USE

Beneficiary

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK

P O BOX 62104

KLAMATH FALLS, OREGON 97601

STATE OF OREGON,

County of Klamath

I certify that the within instrument
was received for record on the 17th day
of January, 19 86,
at 3:49 o'clock P.M. and recorded
in book/reel/volume No. 186 on
page 230 or as fee/file/instru-
ment/microfilm/reception No. 57370.
Record of Mortgages of said County.
Witness my hand and seal of
County attixed.

Evelyn Stehn, County Clerk

By *Phyllis Smith* Deputy

Fee: \$9.00