

as Beneficiary,

**WITNESSETH:**

as Beneficiary,

WITNESSETH:

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

the 40 foot wide private service road easement

Lots 92 - 98 inclusive, plus the 40 foot wide private service road easement lying adjacent to above lots as designated on the plat, all in BALSIGER TRACTS, in the County of Klamath, State of Oregon.

Lots 81 - 91 inclusive, plus 10 feet vacated walkway lying between Lots 86 & 87, plus the 40 foot wide private service road easement lying adjacent to above lots as designated on the plat, all in BALSIGER TRACTS, in the County of Klamath, State of Oregon.

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 THE OBLIGATIONS OF THE CONTRACT, the sum of EIGHT HUNDRED SIXTY TWO THOUSAND AND NO/100 Dollars, with interest thereon according to the terms of a promissory note made by grantor, the final payment of principal and interest hereof, if

note of even date herewith, payable to beneficiary or order and made by grantor, the  
not sooner paid, to be due and payable March 28, 2006.  
to maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note  
of the property described therein, or any part thereof, or any interest therein is sold, agreed to be  
of the property described therein, or any part thereof, or any interest therein, or

The date of maturity of the debt secured by the property described in Section 1, hereinafter becomes due and payable. In the event the within described property, or any part thereof, is sold, conveyed, assigned or alienated by the grantor without first having obtained the written consent or approval of the grantee, then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or hereinafter expressed, shall become immediately due and payable.

The above described real property is not covered by any other deed, grant or condition of this trust deed, grantor agrees:

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 by fire, flood, war, riot, pestilence or any other cause, and to pay the cost of such building or improvement, including the cost of any interest incurred therefor.

[illegible][illegible][illegible]

6. To pay all costs, fees and expenses of this trust including title search as well as the other costs and expenses of the trustee in enforcing this obligation and trustee's and attorney's fees actually incurred in and defend any action or proceeding purporting to remove or displace the trustee; and in any suit or action brought by the trustee.

[illegible]

It is mutually agreed that:

**It is mutually agreed that:**

8. In the event that any portion or all of said property shall have been 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 under the right of such taking, which are in excess of the fees necessarily paid or as compensation for such taking, shall be paid to beneficiary upon request to pay all reasonable costs, expenses and attorney's fees incurred by grantor in such proceedings, and the balance applied upon indebtedness applicable to trial and appraisals, and the balance applied upon the indebtedness of beneficiary in such proceedings.

9. Beneficiary agrees, at its own expense, to take such actions secured hereby; instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request upon written request of beneficiary, payment of its fees and representation of this deed and the note for beneficiary, payment of its fees and representation, for cancellation without affecting the liability of any person for the payment of the indebtedness, trustee may

[illegible]

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person or by a receiver appointed by a court, and without regard to the adequacy of said property so secured, enter upon and take otherwise collect the rents, issues and profits, including those now due and unpaid, and apply the same to the payment of the principal and interest on said debt, together with attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of said property, by the beneficiary, shall not constitute a release of the obligor from 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 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 by the beneficiary.

[illegible][illegible]

by law. 14. Otherwise, the sale shall be held on the date which said sale may be held in the place designated in the notice of sale or the trustee may sell said property either in one parcel or in lots as the highest bidder for cash, payable at the time required by law conveying such property to the purchaser, its deed, and the trustee shall execute the same and deliver to the purchaser its deed and any covenant or warranty, expressed or implied, to the property so sold, but the trustee shall not be bound to give any other or more extensive proof of the truthfulness thereof. Any person, other than the trustee, who purchases the property sold by the grantor and beneficiary, may person, other than the trustee, to the powers provided herein, trustee

15. When trustee sells pursuant to the powers provided herein, he 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 by or for the trustee, (2) the obligation secured by the trust deed, (3) to all persons claiming the proceeds of the sale of the trust property in the order specified by the attorney, (4) to the obligations subsequent to the interest of the trustee in the trust having received their interests may appear in the order of their priority and (5) the surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

16. The trustee may from time to time appoint a successor or successors.

16. Beneficiary may from time to time appoint a trustee appointed here-  
 to for any trustee named herein or to any conveyance to the successor  
 under. The latter shall be vested with all title, powers and duties conferred  
 upon any trustee herein named and shall be deemed to be the trustee hereunder.  
 and substitution shall be made by written instrument executed by the beneficiary,  
 which, when recorded in the mortgage records of the county or counties in  
 which the property is situated, shall be conclusive proof of proper appointment  
 of the 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.

[illegible]

3330

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) primarily for grantor's personal, family or household purposes (see Important Notice below);  
(b) for an organization, or (even if grantor is a natural person) are for business or commercial 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 use Stevens-Ness Form No. 1319, 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 acknowledgement opposite.)

STATE OF OREGON,

County of Klamath

ss.

This instrument was acknowledged before me on March 26, 1986, by

Edmond W. Andersch, Barbara A. Andersch and Philip K. Andersch

Thomas F. Stalder  
Notary Public for Oregon

(SEAL)

My commission expires: 3-14-87

STATE OF OREGON,

County of

ss.

This instrument was acknowledged before me on

19, by

as

of

Notary Public for Oregon

My commission expires:

(SEAL)

#### 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 \_\_\_\_\_

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. 881)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

Edmond & Barbara Andersch  
Philip K. Andersch

Grantor

South Valley State Bank

Beneficiary

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON,

County of Klamath

ss.

I certify that the within instrument was received for record on the 30th day of May, 1986, at 8:58 o'clock A.M., and recorded in book/reel/volume No. M86 on page 9335 or as fee/file/instrument/microfilm/reception No. 61965, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By \_\_\_\_\_ Deputy

Fee: \$9.00

SOUTH VALLEY STATE BANK  
P. O. BOX 5210  
KLAMATH FALLS, OREGON 97601