

TRUST DEED

Vol. M87

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as Grantor, MELVIN D. FERGUSON

SOUTH VALLEY STATE BANK
as Beneficiary

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

LOTS 3, 11, 12, 13, AND 14, BLOCK 3, SIXTH STREET ADDITION TO THE CITY OF
KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE
OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging now or hereafter appertaining, and the rents, issues and profits thereof and all other rights thereunto belonging 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 THIRTY THOUSAND AND NO/100----- WITH RIGHTS TO RENEWALS AND FUTURE ADVANCES-----

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 JULY 1, 19 89

The date of maturity of the debt secured by this instrument is JULY 1, 19 89

becomes due and payable

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 of the obligations 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 replace

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be destroyed, destroyed thereon, and pay the cost thereof.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to execute such financing statements pursuant to the Uniform Commercial 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 the beneficiary, or by the beneficiary's attorneys, or by the beneficiary's agents, or by the beneficiary's officers or searching agencies as may be deemed

4. To provide and continuously maintain insurance on the buildings now or hereafter owned by said beneficiary against loss or damage by fire and such other hazards as the said premises against loss or damage by fire an amount not less than \$ 50,000 beneficiary may from time to time request the companies acceptable to the beneficiary to increase the amount of the fire policy. The insurance shall be delivered to the beneficiary as soon as insured, if the grantor shall fail for any reason to procure any insurance and to deliver said policies to the beneficiary at least fifteen days prior to 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 of any claim or indebtedness secured hereby and it may be applied by beneficiary, without the objection of beneficiary the entire amount so collected, or not cure or waive any default or notice of default hereunder or invalidity shall act done pursuant to such notice.

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 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 by direct payment or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof, 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 obligations secured by this covenants hereof and for sums payments, with interest as aforesaid, of the debt hereinbefore described, and as the grantor, shall be bound to 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 upon notice, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of 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 other fees actually incurred.

[illegible]

It is mutually agreed that:

[illegible]

9. At any time and from time to time upon written request of beneficiary, 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 the subordination or other agreement affecting this deed or any interest therein; (d) reconvey, grant, transfer, or any part of the property to any grantee in any reconveyance may be made or any part of the property may be conveyed, and the recitals thereof as the "person or persons to be conclusively deemed to be the person or persons described as the "person or persons mentioned in the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.00.

10. Upon any default by the grantor in the performance of any of the

10. Upon any default by grantor hereunder, the Trustee's fees for any of the time without notice either in person, by agent or by beneficiary may be appointed by a court; and without regard to the adequacy of any liability or indebtedness hereby secured upon and take possession of said premises, issues and all profits, in its own name and otherwise collect the rents, less costs and expenses of operation and collection, and apply the same, net of such expenses, to the satisfaction of the obligations of the beneficiary may determine.

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 action pursuant to such notice.

12. If the beneficiary of the trust is in default hereunder or violates any act done hereby or in his performance of any agreement hereunder, the beneficiary may declare all sums secured hereunder immediately due and payable, the beneficiary may elect the beneficiary at his election to proceed to foreclose this trust, such an advertisement and sale, in the latter event the beneficiary shall foreclose this trust deed by to sell the said described and recorded his written notice of default to the trustee shall hereby, whereupon the trustee shall property to satisfy the obligation secured hereby, then required by law and procedure to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to the date of the sale, the trustee conducts the sale, the grantor or any other person obligated by ORS 86.753, may cure the default or defaults. If the default consists of failure to pay, when due, the sum secured by the trust deed, the default may be cured by paying the entire amount due at the time of the default, or by paying the amount then due had no default occurred, plus interest on the amount then due, then being due, plus the cost of the trustee's expenses. If the default consists of being in default of any other obligation or obligations, the default may be cured by tendering the performance of the obligation or obligations, the person effecting the cure, in addition to the cure, shall pay the trustee's expenses actually incurred in effecting the cure. The obligation of the trust deed together with the trustee's and attorney's fees, shall be paid by the person by law.

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 separate parcels and shall sell each parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the highest bidder a deed in form as required by law conveying the property so sold, but without any covenants, warranties, express or implied, recitals in the deed of any matter of title or warranty, express or implied, of the trustiness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale, but including

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 by trustee's attorney, (2) to the satisfaction secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear to the interest of the trustee in the trust surplus, if any, to the grantor or to his successor in interest and (4) the surplus.

16. B. E. R. ...

16. Beneficiary may from time to time appoint a successor or successors to the trust named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance of the property to any trustee herein named or appointed, all title, powers and duties of the trustee hereunder shall be made by written instrument hereunder. Each such appointment, when made, shall be the mortgage records of the county in which the property is situated, shall be recorded of the county in which the property is situated, shall be records of proof of property.

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 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 696.585.

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.

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.

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

This instrument was acknowledged before me on
DECEMBER 16, 1987, by
DANIEL HINCHEE AND
THERESA HINCHEE

Lynette K. Dwyer
Notary Public for Oregon

(SEAL) My commission expires 9/12/89

STATE OF OREGON,
County of

This instrument was acknowledged before me on
19, by
as
of

Notary Public for Oregon

(SEAL) My commission expires

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

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: 1987

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.

DANIEL HINCHEE

THERESA HINCHEE

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO
DANIEL HINCHEE AND THERESA HINCHEE
SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS, OREGON 97603

STATE OF OREGON,
County of Klamath

I certify that the within instrument was received for record on the 31 day of Dec, 1987, at 2:01 o'clock P.M., and recorded in book/reel/volume No. 87 on page 23253 or as fee/file/instrument/microfilm/reception No. 83048, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn Co Clerk

By Benetta S. Sited Deputy

1802 DEED Fee

10.00