

as Grantor, WILLIAM P. BRANDSNES, as Trustee, and
SOUTH VALLEY STATE BANK
SOUTH VALLEY STATE BANK

LOT 9, BLOCK 7, KLAMATH LAKE 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.

THIS LOT SERVES AS COLLATERAL FOR LOAN #202025 IN THE AMOUNT OF \$10,000.00 TO ALEX T & LA RENA D CAMAILLE DATED APRIL 1, 1986, MATURING APRIL 30, 1989.

together with all and singular the tenements, hereditaments and appurtenances and all other rights therunto 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 TEN THOUSAND AND NO/100--- WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS----- Dollars with interest thereon according to the terms of a promissory

sum of TEN THOUSAND AND NO/100--- WITH RIGHTS IN FUTURE ADVANCES AND 10000.00 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 APRIL 30, 1989 on or before the date of maturity, 19:89, of said note, and the debt secured by this instrument is the date, stated above, on which the final installment of said note is due and payable, and the debt thereon is sold, agreed to be

not sooner paid, to be due and payable APRIL 30, 1989, 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, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or then, at the beneficiary's option, shall become immediately due and payable.

herein, shall become immediately due and payable.

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; and to make all repairs and maintenance 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.

1. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary so requests, to join in executing 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 filing officers of searching agencies as may be deemed desirable by the beneficiary.

Beneficiary. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire, theft and such other risks as the beneficiary may from time to time require, and to pay the proceeds of such insurance to the beneficiary, in full, payable to the latter, all companies acceptable to the beneficiary, with less expense to the beneficiary as soon as insured policies of insurance shall be delivered to the beneficiary to procure any such insurance and to the grantor shall fail for any reason, the beneficiary may, at any time, require the 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, and the beneficiary may procure the same at grantor's expense under the application collected under any fire or other insurance policy in force at such time as beneficiary may determine, or at option of the beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not be binding on the beneficiary unless the beneficiary shall have accepted the same or waive any default or notice of default hereunder or invalidate any such release pursuant to such notice.

[illegible]

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 appraise, defend 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 the mortgage, to pay all costs and expenses, including attorney's fees, incurred by the beneficiary or trustee's attorney's fees; the foregoing notwithstanding that the beneficiary or trustee's attorney's fees are included evidence of the attorney's fees mentioned in this paragraph 7 in all cases filed by the trial court, grantor further agrees to pay such sum as the appellate court shall determine to be reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

It is mutually agreed that portion of all 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 incurred by grantor in such proceedings, and the balance applied upon beneficiary in the said eminent domain or condemnation proceedings, shall be secured hereby; and grantor agrees, at the request of beneficiary, to take such actions and execute such documents as shall be necessary in obtaining such compensation for beneficiary's request.

(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, 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 conclusive proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall not be less than \$5.

[illegible]

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.

[illegible]

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person is privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, the amount due under the trust deed, the default may be cured by paying the sums secured by the trust deed at the time of the cure other than such portion as either principal or interest was paid previously. If the default consists of a failure to then be due had no default occurred. Any other default may be cured if it can be then be due had no default occurred. Any other default may be cured by tendering the sum required under the obligation or the person effected. In any case, in addition to curing the default obligation or the person effected, the grantor shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided for in the trust agreement.

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, provided by law. The trustee may sell said property in one or more lots or in separate parcels and shall sell the same parcels at auction to the highest bidder. The deed in form as required by law conveying said property shall be delivered to the purchaser of the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any purchase of the property by the trustee, but including the purchase at the sale.

[illegible]

16. 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 herein upon any trustee herein named or appointed hereunder. Such appointment and substitution shall be made by written instrument executed by 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 designated 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 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, a 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 in 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.

