

167-213-00

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as Grantor, WILLIAM P. BRANDSNESS

....., as Trustee, and

WITNESSETH:

The West 790 feet of Tract No. 71 FAIR ACRES SUBDIVISION NO. 1, in the County of Klamath, State of Oregon, EXCEPTING THEREFROM the following described property:

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.

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 SEPTEMBER 15 1993

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.

3. 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 or searching agencies as may be deemed desirable by the beneficiary.

[illegible][illegible]

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or any compensation, beneficiary shall be taken that, if so selects, to require that all or any portion of the monies payable compensation for such taking, which are in excess of the amount of the reasonable costs, expenses and attorney's fees necessarily paid or incurred by it first upon any reasonable proceedings, shall be paid to beneficiary and then in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness incurred by it. Plaintiff agrees, at its own expense, to take such actions and execute such instruments as may be necessary in obtaining such compensation, promptly upon beneficiary's request.

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, free of any reconveyance may be described as the "person" or "persons" named, created, thereto," and the recitals therein of any matters or facts shall be conclusively proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

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.

86.735. "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 may cure the default of 86.735, may cure the default or defaults. If the default consists of a failure to pay 86.735, may cure the default or defaults by tendering the amount due. If the default consists of the entire amount due, the trust deed, the default may be cured by paying the entire amount due. If the default consists of a failure to pay 86.735, the default may not then be cured but no default occurred. Any other default other than such portion as would be cured may be cured by tendering the performance required. If the grantor is capable of curing the default or defaults, the person effecting the cure may tender the amount due to the trustee. In any case, in addition to curing the default or defaults, the person effecting the cure may tender the amount due to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the grantor to pay the debt, together with trustee's and attorney's fees not exceeding the amount provided by law.

place designated in the notice of sale, and the time to which said sale may be postponed as provided by law. The trust shall sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels "as is" and shall deliver to the purchaser for cash, payable at the time of sale. Trustee of the property so sold, without any covenant or requirement by law conveying the property, shall be deemed to have made the sale in good faith and in the best interests in the deed of any matters of fact shall be conclusive proof of the truthfulness of the statements made by the trustee, excluding the trustee, but including the grantor and beneficiary, may purchase the property sold.

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 commission of the trustee and a reasonable charge by trustee's attorney, (2) to the obligations secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust surplus, if any, to the grantor or to his successor in interest entitled to such surplus.

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 conferred upon any trustee herein named or appointed hereunder. Each such appointment or 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 successor 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 record 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.

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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).

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.

STATE OF OREGON, County of Klamath. This instrument was acknowledged before me on OCTOBER 6, 1988, by FARON L. AND TERT L. BAILEY.

Notary Public for Oregon. My commission expires: 12-13-91.

STATE OF OREGON, County of Klamath. This instrument was acknowledged before me on OCTOBER 6, 1988, by FARON L. AND TERT L. BAILEY.

Notary Public for Oregon. My commission expires: 12-13-91.

REQUEST FOR FULL RECONVEYANCE. 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 [address]. DATED: [date]

TRUST DEED (FORM No. 881) STEVENS-NESS LAW PUB. CO. PORTLAND, ORE. 97201. FARON L. BAILEY, TERT L. BAILEY, Grantor. SOUTH VALLEY STATE BANK, Beneficiary. AFTER RECORDING RETURN TO: SOUTH VALLEY STATE BANK, 5215 S 6TH ST., KLAMATH FALLS, OR. 97603. Fee \$13.00. Beneficiary: STATE OF OREGON, County of Klamath. I certify that the within instrument was received for record on the 7th day of Oct., 1988, at 2:43 o'clock P.M., and recorded in book/reel/volume No. MSS on page 16868... or as fee/file/instrument/microfilm/reception No. 92404... Record of Mortgages of said County. Witness my hand and seal of County affixed. Evelyn Biehn, County Clerk. By [Signature] Deputy.