

2393

TRUST DEED

THIS TRUST DEED, made this 20TH day of JUNE, 1989, between

FARON L. BAILEY AND TERI L. BAILEY, AS TENANTS BY THE ENTIRETY
as Grantor, WILLIAM P. BRANDSNESS, as Trustee, and

.....SOUTH VALLEY STATE BANK
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 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:

Beginning at a point on the South line of said Lot 71, 525 feet Westerly of the Southeasterly corner of said Lot 71, said point being the Southwest corner of Deed Volume M75 at page 12069; thence Northerly parallel to the East line of said Lot 71, 329 feet to the North line of said Lot 71; thence Westerly along said North line, 132.4 feet; thence Southerly parallel to the East line of said Lot 71, 329 feet to the South line of said Lot 71; thence Easterly 132.4 feet to the point of beginning

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 THIRTY THOUSAND AND NO/100'S (\$30,000.00) Dollars with interest thereon according to the terms of a promissory

sum of THIRTY THOUSAND AND NO/100 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 said note is to be due and payable JUNE 20, 1994 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS with the final installment of said note

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.

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 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 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 that of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in

- and such other hazards as the beneficiary may incur from time to time, written in an amount not less than \$100,000.00, with loss payable to the latter. All companies acceptable to the beneficiary, with loss payable to the latter, all policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor should fail or for any reason to procure any such insurance and to 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 business, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured by grantor. 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 release of any default or notice of default hereunder or invalidate any debt hereunder pursuant to such notice.

- 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 or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor; should the grantor fail to make payment of any taxes, assessments or charges, should the grantor fail to make payment of any taxes, assessments or charges,

- [illegible]

6. To pay all costs, fees and charges

6. To pay all costs, fees and expenses of the trustee incurred in title search as well as the other costs and expenses of the trustee in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.
7. 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 or action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the court and in the event of an appeal from any judgment rendered by the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

- It is mutually agreed that:

granting any easement or creating any restriction thereon: (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (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 services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time, without notice to or demand on, or appointment by a court, and without regard to the adequacy of any security or otherwise, enter upon and take possession of all or any part of the real property or any part thereof, in its own name and as trustee for itself, to collect the rents, issues and profits, including interest, and to pay the same to the beneficiary, and to sue, defend, compromise and collect, and to execute and enforce all judgments, decrees, orders and writs in connection with the foregoing, and to do all things necessary to carry out the purposes of this deed, and to apply the same, less costs and expenses of operation and collection, including reasonable 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, 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may, at its option, cause the trust to be foreclosed immediately due and payable. In such event the beneficiary at his election may proceed to foreclose the trust deed by equity as a mortgage or direct the trustee to pursue any other right of advertisement and sale, and such advertisement and sale, the beneficiary hereby agrees to, if the beneficiary elects to foreclose by advertisement and sale, the beneficiary shall execute and cause to be recorded a deed to satisfy the obligation and his election to sell the said described property shall fix the time and place of sale. Given and subscribed as then required by law and proposed to foreclose this trust deed on the manner provided in ORS 86.735 to 86.792.

13. After the trustee has commenced the foreclosure by advertisement and sale, and at any time prior to the completion of the sale, the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or default in part. If the default consists of a failure to pay, when due, the debt or default in part, the cure shall be the payment of the amount of the entire amount secured by the trust deed, the default may be cured by payment of the entire amount due at the time of the cure otherwise the person who cures the default shall be deemed to have cured the entire default that is capable of not then be cured had no default occurred. If the cure is not made, the person who cures the default shall be deemed to have cured the entire default. In any case, in addition to curing the default or default in part, the person effecting the cure shall pay to the beneficiary all costs, expenses, and attorney's fees actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided 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 is postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and for cash or on credit, and may deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of sale shall be true and correct, and no person, excluding the trustee, but including the trust beneficiaries, shall 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 of 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 deed as their interests may appear in the order of their priority and (4) to 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 authority of the trustee, the latter shall be vested with all title, powers and authority upon any trustee herein named or appointed in any instrument executed by beneficiary and substitution shall be made 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 in accordance with the provisions hereof, is duly recorded in the public records of the County of Los Angeles, California, and the acknowledgment is made a public record as provided by law. Trustee is 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.

