

TRUST DEED

Vol m89 Page 22395

as Grantor, William P. Bradsness, as Trustee, and
South Valley State Bank, as Beneficiary

WITNESSETH

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

Lot 11 and the west 5 feet of lot 10, block 11, Eldorado 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 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 Sixty two thousand five hundred and no/100's (62,500.00)-----

sum of Sixty two thousand five hundred and no/100's (\$62,500.00) ----- 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 paid to be due and payable October 20, 1994 with rights to future advances and renewals

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 this 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

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;

2. To complete or restore promptly and in good and workmanlike manner any building or improvement which may be constructed, damaged or

13. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property; if the beneficiary to request, the Uniform Commercial Code as the beneficiary may require and to pay the cost of all filing same in the proper public office or offices, as well as the cost of all tier searches made by filing officers or searching agencies as may be deemed desirable by the

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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, the grantor shall make payment of any taxes, assessments, 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 of such taxes and the amount so paid, with interest at the rate set forth in note secured 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 debt secured by this trust deed, without the necessity of any rights arising from breach of any of the covenants hereunder and for such payments, with interest as aforesaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment of the obligations hereinbefore described, and all such payments shall be immediately due and payable with notice, and the nonpayment thereof shall, at the election of the beneficiary, render all sums secured by this trust deed immediately due and payable with

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 appear in and defend any action or proceeding purporting to affect the rights or powers of beneficiary or trustee; and in any suit or action or proceeding in which the beneficiary or trustee may appear, including the costs and expenses, in and for the defense of the same, and in any suit for the foreclosure of this deed, to pay all costs and expenses of attorney's fees; including evidence of title and the beneficiary's or trustee's interest in the property, and the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and the 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:

It is mutually agreed that:

8. In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, Beneficiary shall have the right, if so elected, to require that all monies payable for such taking be paid in full to Beneficiary, which are in excess of the amount required as compensation for the taking, less all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to Beneficiary as compensation for the taking of such property. The amount of such monies shall be applied by it first upon any reasonable costs and attorney's fees necessarily paid or incurred by Beneficiary in such proceedings, and the balance applied upon the indebtedness of Beneficiary to grantor. Grantor agrees, at its own expense, to take such action and execute such instrument as may be required by Beneficiary in obtaining such compensation for the taking of such property.

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 and 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

grantee in 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) convey, 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 true and correct and the truthfulness thereof. Trustee's fees for any of the foregoing shall be paid by the grantor.

be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than the amount of the principal of the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name and without regard to the adequacy of the issues and profits, and in such manner as it may deem proper, and apply the same to the payment of principal and interest on the indebtedness hereby secured, and to the payment of the expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may direct.

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

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 any time, cause the sum so secured hereby immediately due and payable, in sum or in part, to be paid to the trustee, who thereupon shall foreclose this trust deed even though the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to pursue any other right or remedy available to him at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and public sale, the trustee shall execute and cause to be published in the newspaper of general circulation in the county in which the property is situated, a notice of default and of the beneficiary's election to foreclose, and the trustee shall give written notice of default and of the beneficiary's election to foreclose to the grantor, and the trustee shall execute and cause to be published in the newspaper of general circulation in the county in which the property is situated, a notice thereof as then required by law and proceed to foreclose this trust deed.

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together with trustee's and attorney's fees 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 herein; the trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels sold in the highest bidder for cash, payable at the time of sale of the property; the purchaser's deed in form of contract or warranty, express or implied, shall deliver to the purchaser its deed in form of contract or warranty, express or implied, the property shall be sold without condition or warranty, express or implied, and the recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including

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16. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trust appointed hereunder. Upon such appointment, the trustee shall conveyance to the successor trustee, the trustee herein named or appointed hereunder. Each such appointment 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.

17. Trustee accepts this trust when this deed, duly executed and acknowledged 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 in 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 696.510.

55932

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.

3. The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:
(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 pledges, 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.

Finley H. Mallory
Finley H. Mallory

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON,

County of Klamath } ss.

This instrument was acknowledged before me on 11-11-89, by

Finley H. Mallory

Notary Public for Oregon

My commission expires: 6-12-92

STATE OF OREGON,

County of } ss.

This instrument was acknowledged before me on 11-11-89, by

Finley H. Mallory

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: 11-11-89

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, PUBL. CO., PORTLAND, ORE.

Finley H. Mallory

Grantor

South Valley State Bank

Beneficiary

AFTER RECORDING, RETURN TO
South Valley State Bank
801 Main Street
Klamath Falls, Or 97601

80133

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 20th day of Nov., 1989, at 11:12 o'clock AM., and recorded in book/reel/volume No. M89 on page 22395 or as fee/file/instrument/microfilm/reception No. 8073, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk
NAME TITLE

By *Debra M. Mendenhall* Deputy

Fee \$13.00