

ASPEN 36481

NE

30090

TRUST DEED

Vol. m 91 Page 10363

THIS TRUST DEED, made this 13TH day of MAY, 1991, between RICHARD PELTON AND GRACE PELTON, 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:

LOT 2, BLOCK 4, TRACT NO. 1065, IRISH BEND, IN THE COUNTY OF KLAMATH, STATE OF 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 TEN THOUSAND FIVE HUNDRED AND NO/100-----(\$10,500.00)----- Dollars with interest thereon according to the terms of a promissory

sum of TEN THOUSAND FIVE HUNDRED AND NO/100 (\$10,500.00) 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 any, shall be made on or before the date of maturity of said note, to wit: MAY 10, 1994 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS.

not sooner paid, to be due and payable MAY 10, 1994 WITH RIGHTS TO FORECLOSE ADVANCEMENT. 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 the cost 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 an amount not less than \$ FULL AMOUNT, written in _____, payable to the beneficiary with loss payable to the latter; also

an amount not less than \$50,000. The beneficiary shall be payable to the Interloc; all companies accepting insurance shall be delivered to the beneficiary as soon as insured. If the grantor shall fail for any reason to procure any such insurance prior to the expiration of the term of this contract, the grantor shall hereafter place on said buildings and on all property owned by the grantor, hereafter placed on said buildings, a policy of insurance to procure the same at grantor's expense. The amount of the beneficiary under any fire or other insurance policy may be applied by the beneficiary upon any indebtedness secured hereby and in such amount so collected, or may determine, or at option of beneficiary, to be paid to the beneficiary; the beneficiary shall not be bound to grantor. Such application or release shall not be in part or in whole, or in default or notice of default hereunder or invalidate any act done pursuant to such notice.

5 To keep said premises free from construction liens and to pay all

5. To keep the trust free of all taxes, assessments and other charges that may be levied or assessed upon or against the trust property and any part of such taxes, assessments and other charges, the grantor shall become past due and delinquent and promptly deliver to the trust, as a condition precedent to the trust becoming payable by the trust, assessments, insurance premiums, liens or other charges payable by the grantor, either by direct payment or by providing for the beneficiary with funds with which to make such payment, and the amount so paid, with interest at the rate set forth in the note secured by the trust deed, 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 trust deed, without waiver of any rights of the beneficiary under any of the covenants hereof and for such purposes, as well as the grantor, shall be bound to the trust hereinbefore described, to the same extent that the grantor shall be bound for the payment of the obligation hereinafter described, and all such payments shall be immediately due and payable by the grantor, and the nonpayment thereof shall, at the option of the beneficiary, constitute a breach of this trust deed.

6 To pay all costs, fees and expenses of this trust including the costs of the trustee's services and the expenses of the trustee incurred in the administration of the trust.

6. To pay all costs, including the other costs and expenses of the trustee incurred in title search as well as the other costs and expenses of the trustee's and attorney's in connection with the deed 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 such 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 attorney's fees; to include 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 court of 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:

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 to so elect, to require that all or any portion of the monies payable in compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees, shall be paid to pay all reasonable costs, expenses and attorney's fees to be paid to beneficiary as incurred by grantor in such proceedings, shall be paid to beneficiary as applied by it first upon any reasonable costs and expenses and attorney's fees both in the trial and in such appeals, courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such action and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. At any time and from time to time upon written request of beneficiary, the payment of its fees and presentation of this deed and the beneficiary's endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee (a) consent to the making of any map or plat of said property; (b) join

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 in 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.

[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. Alter the trustee has commenced foreclosure by advertisement and sale, and at any time prior to the date before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default, the grantor shall pay the amount due at the time of curing the default, plus the sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure, or any other default that is capable not then be cured had no default occurred; any other default that is capable being cured may be cured by tendering the performance required under the obligation or defaults of the person electing the cure shall pay to the beneficiary all costs and expense actually incurred in enforcing the obligation of the person 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 a 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, or parcels in one parcel or in separate parcels and in lots, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, except as may be applied. The recitals in the deed shall constitute the entire agreement and shall be conclusive proof of the truth of the matters therein stated. No person, excluding the trustee, but including the trustee's attorney and the trustee's agent, shall execute the deed for the grantor and beneficiary, may purchase at the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of the sale to the payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee for attorney's fees, (2) the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust property as their interests may appear in the order of their priority and (4) the 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 and duties conferred upon the latter shall be vested with all title and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by a 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. *Witness my hand and seal this 2d day of April, 1921.*

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 in 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.

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:

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.

X Richard Pelton
RICHARD PELTON

X *Grace*
GRACE PELTON

STATE OF OREGON, County of CLATSOP) ss.
This instrument was acknowledged before me on May 24, 1991,
by Richard E. Helton
This instrument was acknowledged before me on May 24, 1991,
by Grace B. Helton

DELLA M. HARREGUY
NOTARY PUBLIC-OREGON
My Commission Expires 10-20-92

Della M. Harreger Notary Public for Oregon
My commission expires *10-20-92*

REQUEST FOR FULL RECONVEYANCE

To be used only when obligations have been paid.

TO: _____, Trustee

TO: _____

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:, 19.....

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.

RICHARD AND GRACE PELTON

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO
SOUTH VALLEY STATE BANK
801 MAIN STREET
KLAMATH FALLS OR 97601

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 31st. day of May, 19. 91, at 3:23. o'clock P.M., and recorded in book/reel/volume No. M91 on page 10363 or as fee/file/instrument/microfilm/reception No. 30090, Record of Mortgages of said County.

Witness my hand and seal of
County affixed.

Evelyn Biehn, County Clerk
NAME TITLE
By Pauline M. Mullen Deputy

Fee \$13.00