



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:  
(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

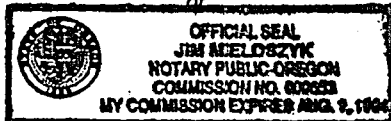
This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or 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 Faron L. Bailey  
FARON L. BAILEY  
X Teri L. Bailey  
TERI L. BAILEY  
X Mike Schmeck  
MIKE SCHMECK

STATE OF OREGON, County of Klamath ) ss.  
This instrument was acknowledged before me on May 15, 1991,  
by Faron L. Bailey & Teri L. Bailey  
This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,  
by \_\_\_\_\_  
as \_\_\_\_\_  
of \_\_\_\_\_



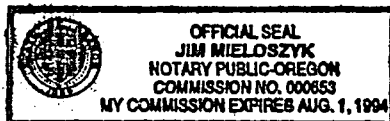
Jim Mieloszyk  
Notary Public for Oregon  
My commission expires 8-1-94

STATE OF OREGON, }  
County of Klamath } ss.

BE IT REMEMBERED, That on this 3 day of June, 1991,  
before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within  
named Mike Schmeck

known to me to be the identical individual described in and who executed the within instrument and  
acknowledged to me that He executed the same freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed  
my official seal the day and year last above written.



Jim Mieloszyk  
Notary Public for Oregon.  
My Commission expires 8-1-94

FARON L. AND TERI L. BAILEY AND  
MIKE SCHMECK  
Grantor  
SOUTH VALLEY STATE BANK  
Beneficiary

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

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

SPACE RESE  
FOR  
RECORDER'S

S. Valley State Bank  
on this 4th day of June A.D., 19 91  
at 11:00 o'clock A M. and duly recorded  
in Vol. M91 of Mortgages Page 10490  
Evelyn Biehn  
By Debra Muelendore County Clerk  
Deputy.

Fee, \$13.00