

NE

35091

TRUST DEED

Vol. m91 Page 19396

THIS TRUST DEED, made this 6TH day of SEPTEMBER, 1991, between
JESPERSEN - EDGEWOOD, INC., AN OREGON CORPORATION

as Grantor, WILLIAM P BRANDSNESS

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:

S1/2 NE 1/4 AND SE1/4 OF SECTION 21 AND S1/4 NW1/4 AND SW1/4 OF SECTION 22 ALL IN TOWNSHIP 37 SOUTH RANGE 10 E.W.M. KLAMATH COUNTY, OREGON 480 ACRES.

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 SEVENTY FIVE THOUSAND AND 00/100-----

sum of SEVENTY FIVE THOUSAND AND 00/100 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 not sooner paid, to be due and payable NOVEMBER 1, 1992 WITH RIGHTS TO RENEWALS AND FUTURE ADVANCES

The date of maturity of the debt secured by this instrument is the date, stated above, on which the debt is sold, agreed to be sold, or 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 hereinafter expressed, 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 employ competent persons, servants, agents, and in good and workmanlike

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

by filing officers and recording officers. The following conditions shall apply to the policy:

4. To provide and continuously maintain insurance on the building now or hereafter erected on the said premises against loss or damage by fire and such other hazards as the beneficiary may desire to insure against, for an amount not less than the full replacement value of the building, written in accordance with the policy, and the policy shall be in the name of the insured, and policies of insurance shall be delivered to the beneficiary.

5. If the grantor shall fail for any reason to place or to cause to be placed policies of insurance on the building at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount of such expense shall be collected under any fire or other insurance policy may be collected by the beneficiary or the beneficiary's attorney in writing, or by order as beneficiary may determine, or at option of the beneficiary, the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not constitute an admission of any default or notice of default hereunder or invalidate any other provision hereof.

6. The beneficiary shall be bound to defend and to pay the cost of defense pursuant to such notice.

not cure or waive any default or notice of default or constitute a breach of this trust deed nor shall the exercise of the power of appointment constitute a breach of this trust deed.

5. To keep and pay the expenses incurred by the beneficiary from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against the property or any part thereof, including but not limited to, taxes, assessments and other charges that may be levied or assessed upon or against the property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver the proceeds thereof to the beneficiary; should the grantor fail to make any such taxes, assessments, insurance premiums, liens or other charges payable by grantor, either directly or indirectly, the beneficiary may cause to be paid by the beneficiary with funds with which to pay the taxes, assessments, insurance premiums, liens or other charges, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 hereof, shall be added to and become a part of the principal of the note secured by this trust deed, shall be added to and become a part of the principal of the note secured by this trust deed, without waiver of any rights arising under the note secured by this trust deed, and the beneficiary, with interest as aforesaid, the property herebefore described, as well as the grantor, shall be bound to the extent that the grantor is bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, 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 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 aid attorney's fees actually incurred.

[illegible]

It is mutually agreed that:

[illegible]

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 for 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 in

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 of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the foregoing shall be paid in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by attorney or otherwise, to be appointed by a court, and without regard to the adequacy of any security for the performance of its obligations, enter upon and take possession of said premises and any part thereof, in its own name and otherwise collect the same issues and profits, including those past due and otherwise collect the same, less costs and expenses incurred in operation and collection, including reasonable attorney's fees, and in such order as beneficiary may determine.

II. 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, the time being of the essence with respect to such payment, the indebtedness and performance, the beneficiary may immediately due and payable. In such an event, the beneficiary may elect to foreclose this trust deed by exercising his election may proceed to foreclose this trust deed by exercising in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale or may direct the trustee to foreclose this trust deed by remedy, either at law or in equity, by advertisement and sale, the beneficiary or the beneficiary may elect to foreclose this trust deed by advertisement and sale, the beneficiary shall execute and cause to be recorded his written notice of the obligation and his election to sell the said described real property at the time and place of sale, give notice thereof to the beneficiary by law and proceed to foreclose this trust deed by advertisement and sale.

notice thereof as then required by O.R.S. 86.735 to 86.795, by advertisement and in the manner provided in O.R.S. 86.735 to 86.795.

3. After the trustee has commenced foreclosure by advertisement and the sale, and at any time prior to 5 days before the date the trust conducts the sale, the grantor or any other person so empowered by O.R.S. 86.735, may cure the default or defaults. If the default consists of a failure to pay, when due, the sums secured by the trust, the default may be cured by paying the entire amount due at the time of the cure other than such portion of the principal as then has been paid. If the default or defaults are such that the grantor or then he due had no default occurred. Any other cure or cures required under the being cured may be cured by tendering the amount of the deficiency in addition to curing the default or obligation or trust due.

4. The grantor or any other person so empowered by the trust shall pay to the beneficiary all costs and expenses incurred in enforcing the obligation of the trust, together with trustee's and attorney's fees not exceeding the amounts provided by law.

5. The trust shall be held on the date and at the time and

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale, and the trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at public auction to the highest bidder for cash, payable at the time of sale, and shall deliver to the purchaser its deed in any covenant or warranty, express or implied, that the realty is the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including

15. When trustee sells pursuant to the power of sale provided herein, trustee shall apply the proceeds of the sale in the following order: (1) the expenses of sale, including the commission of the trustee and a reasonable charge by trustee's attorney; (2) to the obligation secured by the trust deed; (3) to all other obligations of the trust; and (4) to the interest of the beneficiary in the trust having recorded liens subsequent to the interest of the beneficiary in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successors in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successors to any trust named herein or to any successor trustee appointed hereunder, upon such appointment, and without conveyance to the appointed trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed. Each such appointment and substitution shall be in the 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 and a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under an either 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 676.505 to 676.585.

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.

(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.

J. H. SPERSEN & EDGEWOOD, INC.

KENNETH L. OLSEN, PRESIDENT

EDWARD K. JENSEN, VICE PRESIDENT

LAWRENCE C. JESPERSEN, SEC/TREAS.

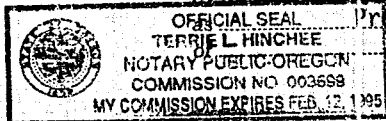
STATE OF OREGON, County of Klamath.....) ss.

This instrument was acknowledged before me on _____, 19____.

by _____ September 13 1991

This instrument was acknowledged before me on September 13, 1991
by Kenneth L. Leonard, K. and Lawrence C. Jespersen

by Kenneth L. Leonard, K. and Lawrence C. Jespersen
OFFICIAL SEAL President, Vice President and Sec/Treasurer respectively
FRIEL HINCHEE Jespersen-Edgewood, Inc.



Terrill L. Hindrich
Notary Public for Oregon
My commission expires 2-12-95

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: _____, 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

JESPERSEN - EDGEWOOD, INC.

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 25th day of September, 1991, at 10:48 o'clock A.M., and recorded in book/reel/volume No. M91 on page 19396 or as fee/file/instrument/microfilm/reception No. 35091, Record of Mortgages of said County.

Witness my hand and seal of
County affixed.

Evelyn Biehn County Clerk

By Pauline Mueller Deputy

Fees \$ 13.00