

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:

LOT 21, BLOCK 6, TRACT NO. 1035, GATEWOOD, 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 FIVE THOUSAND AND 00/100 Dollars, with interest thereon according to the terms of a promissory note hereof, if

sum of 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 SEPTEMBER 25, 19 94 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 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:

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; and 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, and pay when due all costs incurred therefor.

[illegible][illegible]

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 other against said property before any part of such taxes, assessments and other become past due or delinquent and promptly deliver certificates therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to make such payment or beneficiary may, at its option, make payment thereof, make such payment or pay, with interest at the rate set forth in the note aforesaid, and the amount so paid, with interest as described in paragraph 4 of this hereby assigned, with the obligations described in paragraph 4 of this debt secured by this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights, with interest as aforesaid, the proportions hereof and for such interest as well as the grantor, shall be bound to the property hereinbefore and they are bound for the payment of the obligation herein set out notice, and all such payments shall be immediately due and payable with described, and all such payments shall be immediately due and payable and the nonpayment thereof shall, at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed and expenses of this trust including the costs

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.

in connection with or in enforcement of the security rights of the lender, shall be conclusively deemed to be taken in connection with and for the benefit of the lender. 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, action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of the beneficiary's or trustee's attorney's fees, including evidence of title, the beneficiary or trustee shall be bound by the amount of attorney's fees mentioned in this paragraph 7 in all cases. If fixed by the trial court and in the event of an appeal from such judgment or fixed 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:*

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 or any portion of the monies payable as compensation for such taking, which are attorney's fees necessarily paid or to pay all reasonable costs, expenses, and disbursements, shall be paid to beneficiary and incurred by grantor in such reasonable costs and expenses and attorney's fees, applied by it first upon any trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon any such proceedings, and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request, at any time upon written request of beneficiary.

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 hereunto granted, (e) any person or persons who are persons claiming an interest in any reconveyance may be described as any 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, Lender may at any time without notice, either in person, by agent or by receiver to be appointed by a court of competent jurisdiction, enter upon and take possession of all property owned by grantor herby secured, enter upon and take possession of said property, whether real, personal or mixed, tangible or intangible, and apply the same, issues and profits, including those from operation and collection, including reasonable attorney's fees and expenses of litigation and costs of collection, 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 lire 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. After the time provided in ORS 87.6735 to commence foreclosure by advertisement and in the manner provided in ORS 87.6735 to 87.6795, the trustee shall conduct the sale, and the grantor or any other person so privileged by ORS 87.6735, may cure the default or defaults. If the default or defaults may be cured by paying the sums secured by the trust deed, the trustee shall give the beneficiary a reasonable time to cure the default or defaults. If the default or defaults are not cured by the time of the cure other than such portion as is payable of the entire amount due, and no default occurred. Any other default occurred under the trust deed may be cured by tendering the sum in addition to curing the default or obligation or trust deed. In any case where the beneficiary is required under the default, the person entitled to the sums secured shall pay to the beneficiary all costs and expenses incurred in enforcing the obligation of the trust deed, together with the 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. The trustee may sell said property either as one parcel or as separate parcels and shall sell the parcel or parcels at public auction to the highest bidder for cash, payable at the time of sale. The trustee shall deliver to the purchaser its deed, with or without covenant or warranty, express or implied, and shall execute and deliver to the purchaser any other instrument required by law conveying the property so sold. The sale shall be subject to all liens, mortgages, judgments and other claims against the property, and the sale shall be conclusively presumed to be made in full satisfaction of the obligations of the trust. The proceeds of the sale shall be distributed in accordance with the provisions of the trust instrument. The trustee shall be entitled to the usual and customary expenses of the sale.

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale first to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge for legal fees; (2) to the obligation secured by the trust; (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust; and (4) to the interest of the grantor or his successor in interest entitled to such 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 and to any successor trustee appointed hereunder. Upon such appointment and without conveyance to the successor trustee, the power shall be vested with all title, powers and authority herein upon any trustee herein named or appointed hereunder, and such appointment and substitution shall be made of record in the mortgage records of the county in which, when recording of the mortgage is required, the mortgage is recorded. If the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

which the property is situated, shall be deemed to be the act of the successor trustee. If the Trustee accepts this trust when this deed, duly executed and acknowledged, is made a public record as provided by law, the Trustee is not obligated to notify any party hereto of pending action under any other deed of trust or of any action or proceeding in which the 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.

22 SEP 20 16 075 16

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:  
(a)\* primarily for grantor's personal, family or household purposes (see Important Notice below)  
~~(b) for an organization or person or 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.

Carl E. Pace

CARL E. PACE

Sharon M. Pace

SHARON M. PACE

STATE OF OREGON, County of KLAMATH

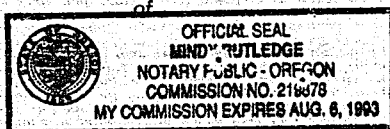
This instrument was acknowledged before me on SEPTEMBER 13, 1991,  
by CARL E. PACE

This instrument was acknowledged before me on \_\_\_\_\_, 19\_\_\_\_,

by \_\_\_\_\_

as \_\_\_\_\_

of \_\_\_\_\_



Mindy Tutledge

Notary Public for Oregon

My commission expires 8-6-93

#### 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

ON LIFE (FORM No. 881)  
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

CARL E. AND SHARON M. PACE

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 30th day of Sept., 1991, at 10:27 o'clock A.M., and recorded in book/reel/volume No. M91 on page 19749 or as fee/file/instrument/microfilm/reception No. 35310 Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk  
NAME TITLE

By Randall Muller Deputy

Fee \$13.00