

41173

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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:

TRACTS A AND B LOCATED WITHIN, BUT RESERVED FROM SOUTHSORE, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON, BEING SITUATED IN THE SE $\frac{1}{4}$  SE $\frac{1}{4}$  OF SECTION 23, THE NW $\frac{1}{4}$  NW $\frac{1}{4}$  OF SECTION 25 AND THE NE $\frac{1}{4}$  NE $\frac{1}{4}$  OF SECTION 26 IN TOWNSHIP 38 SOUTH, RANGE 8 EAST OF THE WILLAMETTE MERIDIAN, 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.

COURSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the

**FOR THE PURPOSE OF SECURING PERFORMANCE** of each agreement of grantor herein contained and payment of the sum of **SEVEN THOUSAND SIX HUNDRED THIRTY-EIGHT AND NO/100\*\*\*\*\*** Dollars, with interest thereon according to the terms of a promissory note made by said party of the first part to said party of the second part, bearing date of this day of \_\_\_\_\_, 19\_\_\_\_, and containing the following provisions:

sum of SEVEN THOUSAND SIX HUNDRED THIRTY EIGHT AND NO/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  
 said to be due and payable MAY 1, 1996 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS  
 made to the order of the beneficiary above, on which the final installment of said note

not sooner paid, to be due and payable MAY 1, 1996 WITH RIGHTS TO FUTURE ADVANCES AND REDEMPTION  
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 is a corporation, to execute such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay the 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 other hazards as the beneficiary from time to time requires, and for an amount not less than \$ FULL AMOUNT written in or on companies acceptable to the beneficiary, with loss payable to the lateral policies of insurance shall be delivered to the beneficiary as soon as insured, if the grantor shall fail for any reason to procure any such insurance and to deliver said policy of insurance to the beneficiary at least fifteen days prior to the expiration of said policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense, and the amount collected under any fire or other insurance policy so applied by beneficiary upon any indebtedness of beneficiary the entire amount so collected, or may determine, or at the option of beneficiary the entire amount so collected, or any part thereof may be released to grantor. Such application or release shall not be deemed a waiver of default or notice of default hereunder or invalidate any action done pursuant to such notice.

5. The 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 or delinquent and prompt delivery receipts thereof to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, 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 thereof, make such amount so paid, with interest at the rate set forth in the note secured, and the amount so paid, with interest as provided in paragraph 4 of this hereby, together with the obligations described in paragraph 3 of this deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights of the beneficiary from breach of any of the covenants hereof and for such payments, with interest as aforesaid, the property hereinbefore described, and all as the grantor, shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all payments shall be immediately due and payable without demand, 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 and attorney's fees actually incurred.

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 this deed, to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree 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 be taken the right, if it so elects, to require that all or any portion of the amount payable as compensation for such taking, which are in excess of the amount necessarily paid or to pay all reasonable costs, expenses and attorney's fees shall be paid to beneficiary and incurred by grantor in any reasonable costs and expenses and attorney's fees, applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in the trial and appellate courts, and the balance applied upon the individual actions secured hereby; 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.

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 hereon; (d) reconvey, without warranty, all or any part of the property to the grantor; (e) execute any deed, mortgage, or other instrument in which the grantor is a party, and in which the grantor's fee 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 the conclusive proof of the truthfulness thereof. Trustee's fees for all the services mentioned in this paragraph shall be not less than \$5.

be conclusive proof that the amount of such services shall not be less than \$5.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or otherwise, enter upon and take possession of any security for the indebtedness secured hereby, and without regard to the priority of any security so pointed by a court, and without being bound to exhaust any such security first, but may nevertheless enter upon and take possession of said property and collect the same, and sell the same, and apply the proceeds thereof to the payment of the principal and interest due on the indebtedness secured hereby, and also to the payment of all costs and expenses of operation and collection, including reasonable attorney's fees and expenses of litigation incurred herein, and 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 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 constitute a default or breach of the obligations hereunder, nor shall it constitute a waiver of 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 in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of sale and the trustee shall execute and sell the said described real property to satisfy the debt and his election to foreclose. The trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

notice thereof as then required by ORS 86.735 to 86.795, in the manner provided in ORS 86.735 to 86.795, after the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person who is obligated by ORS 86.753, may cure the default or defaults, and the amount consists of a failure to pay, where due, the default or defaults, and, if the default, the default may be cured by paying the sums secured by the amount due at the time of the cure other than such principal and interest due at the time of the cure. If the grantor is not capable of or does not then be cure had no default occurred. Any other performance required under the being cured may be cured by tendering the amount, in addition to curing the default or obligation or trust deed. In the event the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed, 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 and place designated in the deed or by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the same at public auction to the highest bidder for cash in the form as required by law conveying said deliver to the purchaser. The deed in form as required by law conveying the property sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact appearing therein shall be true and correct. The trustee, but including the truthfulness of the deed, may purchase at the sale.

15. When trustee shall proceed to sale to payment of (1) the expenses of sale, (2) the amount of the debt secured by the trust, (3) the interest of the trustee in the trust having recorded liens subsisting at the date of their priority and (4) the sum due 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, the trustee named herein shall conveyance to the successor trustee, the full and complete title, powers and duties conferred upon the trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument signed by the beneficiary, and such instrument, when duly recorded in the county or counties in 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 a successor trustee.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not 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 in 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.

1500

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 (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.

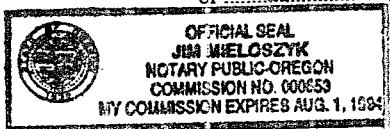
COMMUNITY OF SOUTHSORE, A MUNICIPAL CORPORATION  
BY: Rick Vaughn  
RICK VAUGHN, PRESIDENT  
BY: Lisa Vaughn  
LISA VAUGHN, TREASURER  
BY: Peggy Smith  
PEGGY SMITH, SECRETARY

STATE OF OREGON, County of KLAMATH ) ss.

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

by \_\_\_\_\_

This instrument was acknowledged before me on February 13, 1992,  
by Rick Vaughn, Lisa Vaughn, + Peggy Smith  
as President, Treasurer, + Secretary  
of Community of Southshore



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

#### 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.

Grantor

Beneficiary

AFTER RECORDING RETURN TO

S. Valley State Bank  
801 Main St.  
Klamath Falls, Or. 97601

SPACE RESERVED  
FOR  
RECORDER'S USE

STATE OF OREGON, } ss.  
County of Klamath

I certify that the within instrument was received for record on the 19th day of Feb., 1992, at 12:14 o'clock P.M., and recorded in book/reel/volume No. M92 on page 3367 or as fee/file/instrument/microfilm/reception No. 41173, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk  
NAME TITLE  
By Debbie A. Hurlburt Deputy