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THIS TRUST DEED, made this 20TH day of MARK MENDT HOMES, INC., AN OREGON CORPORATION	APRIL , 1992 , between
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:

SEE ATTACHED EXHIBIT "A" BY THIS REFERENCE MADE A PART HERETO.

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

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of (\$290,287.10) TWO HUNDRED NINETY THOUSAND, TWO HUNDRED EIGHTY SEVEN AND 10/100----

note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereot, it and sooner paid, to be due and payable

APRIL 10 , 19 95 WITH RIGHTS TO FUTURE ADVANCES AND

not sooner paid, to be due and payable

The date of maturity of the debt secured by this instrument is the date, stated above, on which the linal installment of RENEWALS.

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'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 meant in the control of t

then, at the beneficiary's option, all obligations secured by this instance in, 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 therefore of the constructions and restrictions adjecting, said temperatures the property of the construction of the construction and restrictions and restrictions and remember pursuant to the Uniform Commercial code as the beneficiary and remember pursuant to the Uniform Commercial code as the beneficiary and remember pursuant to the Uniform Commercial code as the beneficiary may require and to pay for liling same in the policity of the construction of any policy of insurance now or hereafter placed on said buildings, the beneficiary may be released to the beneficiary at least ifferent any interest of the construction of any policy of insurance now or hereafter placed on said buildings, the beneficiary in the grant of such and construction of any policy of insurance now or hereafter placed on said buildings, the beneficiary in the grant of such and construction of any policy of insurance now or hereafter placed on said buildings, the beneficiary in the grant of such and construction of any policy of insurance policy may be applied by beneficiary on any matched decision.

5. To keep said decision from the same as grantor's expense. The amount collected under any liter or other insurance policy ma

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 enument domain or condemnation, beneficiary shall have the right, if it we elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to any all reasonable costs, expenses and attorney's less necessarily paid or inquired by Atantor in such proceedings, shall be paid to beneficiary and interest of the proceedings, and the balance applied upon the indebtedness secured horeby; and frantor agrees, at its own expense, to take such actions and esecute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

At any time and from time to time upon written request of beneficiary, payment of its less and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without allecting 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 ensument or creating any restriction thereon; (c) poin in any subordination or other agreement affecting this deed or the lien or charge transe in any reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons began edited theory," and the recitals therein of any matters or lacts shall be sometime proof of the truthfulness therein of any matters or lacts shall be sorticed in this paragraph shall be not less than \$5.

I Jupon any delault by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security to the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents issues and expenses of operation and collection, including teasonable attorney's lees upon any indebtedness secured hereby, and in such order as henciciary may determine.

11. The entering upon and taking possession of said property, the collection of such rents, issues and profits, or the proceeds of the and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as adversard, said a tropecty, and warme 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 between or in his performance of any affectment for time being of the between or in his performance of any affectment hereunder, time being of the performance of any affectment for the being of the between or in his performance of any affectment for the media of the property in his performance of any affectment for the being of the performance of in the performance of any affectment for the being of the performance of in the performent of any indebtedness secured between or in his performance of any affectment or inva

waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. Upon default by frantor in payment of any indebtedness secured hereby or 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 due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortagle or direct the trustee to foreclose this trust deed in equity as a mortagle or may direct the trustee to pursue the trustee for energy, either at law or in equity, which the beneficiary may have In the overtical trustees to foreclose the sum of the trustee to pursue the property of the trustee shall execute and cause to be recompanied and his election to self the said descrebable if it the time and place of sale, give and his election to self the said descrebable if it the time and place of sale, give in the manned proceed as then required by law and proceed to foreclose this trust deed in the manned proceed as then required by law and proceed to foreclose this trust deed in the manned proceed to a self-give trustee to graph the trustee conducts the sale, the frantor or any other person so privileged by ORS 86,753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default of defaults for a cured may be cured by tendering the performance required under the obligation or trust deed. In any case, in addition to curing the default of defaults the trustee conducts the solition of the cure shall pay to the beneficiary and expenses actuall

defaults, the person effecting the solutions of the obligation of the control of the defaults of the control of

surplus, if any, to the grantor or to his secresser in interest entitled to such surplus.

16. Beneficiary may from time to time appoint a successor or successor to not rustee named herein or to any successor triatee appointed hereinfelt. Upon such appointment, and without conveyance to the successor trustee, the laters shall be vested with all title, powers and duties conterted upon any trustee herein named or appointed hereinfelt. Each such appointment and substitution shall be made by written instrument executed by henciteiars which, when recorded in the mortisage records of the county or countries of 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 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 receiber of the Oregon State Bar, a back, to be a consequent or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to invere the to a d property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an esciew agent licensed under ONS 645 205 to Co. ....

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 represente (a)* primarily for grantor's personal, tamily or household pur (b) for an organization, or (even it grantor is a natural personal.	rmses i sek inminitant ivotice delov I.
and assistant the term beneficial	parties hereto, their heirs, legatees, devisees, administrators, executors, ry shall mean the holder and owner, including pledgee, of the contract onstruing this deed and whenever the context so requires, the masculine er includes the plural.
IN WITNESS WHEREOF, said grantor has here	eunto set his hand the day and year first above written.
IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) not applicable; if warranty (a) is applicable and the beneficiary is a credit is such word is defined in the Truth-in-Lending Act and Regulation Z, it eneficiary MUST comply with the Act and Regulation by making requirisclosures; for this purpose use Stevens-Ness Form No. 1319, or equivalent frompliance with the Act is not required, disregard this notice.	tor he BY: Mark Mark / noulout
STATE OF OREGON, County of This instrument was ackn	of Klamath ss.  sowledged before me on April 30, 1993
This instrument was ackn	nowledged before me on, 19,
<u>-</u>	
as	4
OFFICIAL SEAL TERESA L. LUCHT	Deusa & Luc/t
NOTARY PUBLIC - OREGON COMMISSION NO. 012832 MY COMMISSION EXPIRES JAN. 29, 1996	Notary Public for Oregon  My commission expires //29/96
REQUEST FOR	FULL RECONVEYANCE
To be used only when	n obligations have been paid.
TO:	stee
The undersigned is the legal owner and holder of all indebt trust deed have been fully paid and satisfied. You hereby are direstided trust deed or pursuant to statute, to cancel all evidences of because to the trust deed) and to reconvey, without we	tedness secured by the loregoing trust deed. All sums secured by said ected, on payment to you of any sums owing to you under the terms of indebtedness secured by said trust deed (which are delivered to you warranty, to the parties designated by the terms of said trust deed the locuments to
DATED:	
	Beneficiary
Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both	h must be delivered to the trustee for cancellation before reconveyance will be made.
TRUST DEED	STATE OF OREGON,
[FORM No. 881]	County of
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE	I certify that the within instrument
MARK WENDT HOMES, INC.	was received for record on theday of
THOME WHO ASST. STATE	ato'clockM., and recorded
	in book/reel/volume No. On

Grantor SOUTH VALLEY STATE BANK Beneliciary AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK

KLAMATH FALLS OR 97601

801 MAIN STREET

SPACE RESERVED FOR RECORDER'S USE page ..... or as fee/file/instrument/microfilm/reception No....., Record of Mortgages of said County. Witness my hand and seal of County affixed. NAME TITLE

## EXHIBIT "A"

LOTS 1, 2, 3 AND 4, BLOCK 3, EWAUNA HEIGHTS ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

ALSO, THE FOLLOWING DESCRIBED PROPERTY SITUATE IN THE NE 1/4 SE 1/4 OF SECTION 19, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT WHICH IS NORTH A DISTANCE OF 2,564.5 FEET AND WEST A DISTANCE OF 1337.2 FEET FROM THE IRON AXLE WHICH MARKS THE SOUTHEAST CORNER OF SECTION 19, TOWNSHIP 38 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN; SAID POINT OF BEGINNING ALSO BEING ON THE SOUTHERLY RIGHT OF WAY OF FRONT STREET (NOW KNOWN AS HANK'S STREET) WHICH POINT IS 30.0 FEET EAST OF THE NORTHEAST CORNER OF BLOCK 2, KLAMATH LAKE ADDITION, AS SHOWN ON THE OFFICIAL PLAT OF SAID KLAMATH LAKE ADDITION ON FILE IN THE COUNTY CLERK'S OFFICE IN KLAMATH COUNTY, OREGON; AND RUNNING SOUTH ALONG THE 1/16TH LINE ON THE WEST SIDE OF THE NE 1/4 OF THE SE 1/4 OF SAID SECTION 19, A DISTANCE OF 220.0 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 70 DEGREES 53' EAST A DISTANCE OF 232.3 FEET; THENCE NORTH 36 DEGREES 12' EAST TO THE SOUTH RIGHT OF WAY LINE OF LAKEPORT BLVD., THENCE SOUTHEASTERLY ALONG SAID RIGHT OF WAY LINE TO THE NORTHWEST CORNER OF THAT PROPERTY CONVEYED TO THE RALPH SMITH AND ALICE SMITH, HUSBAND AND WIFE, AND WILLIAM SMITH AND WENDELL SMITH, AND DESCRIBED AS PARCEL 2 IN DEED VOLUME 215, AT PAGE 170, DEED RECORDS OF KLAMATH COUNTY, OREGON, THENCE SOUTHERLY ALONG THE WESTERLY LINE OF SAID DEED VOLUME 215, PAGE 170, DEED RECORDS OF KLAMATH COUNTY, OREGON TO THE SOUTHWEST CORNER THEROF, THENCE WEST TO THE SOUTHEAST CORNER OF THAT CERTAIN PROPERTY DESCRIBED IN DEED VOLUME 285 AT PAGE 444, DEED RECORDS OF KLAMATH COUNTY, OREGON, SAID POINT BEING WEST 210 FEET FROM THE WEST LINE OF THE NE 1/4 SE 1/4 OF SAID SECTION 19; THENCE NORTH 260 FEET TO THE NORTHEAST CORNER OF THAT CERTAIN PROPERTY DESCRIBED IN DEED VOLUME 296, PAGE 177, DEED RECORDS OF KLAMATH COUNTY, OREGON, THENCE WEST ALONG THE NORTH LINE OF SAID DEED VOLUME, 210 FEET TO THE WEST LINE OF THE NE 1/4 SE 1/4 OF SAID SECTION 19; THENCE NORTH ALONG SAID WEST LINE TO THE POINT OF BEGINNING.

STATE OF OREGON: COUNTY OF I	KLAMATH: ss.		
Filed for record at request of	S. Valley State Bank	the13th	day
of May A.D., 19	92 at 9:10 o'clock AM., and	I duly recorded in VolM92	
of	Mortgages on Page	10385	
	Evelyn Riehn	County Clerk	
FFF \$15 00	By Qaui	in Muilmaler	