

TRUST DEED

22ND day of JUNE 1988

THIS TRUST DEED, made this 20th day of JUNE 1988, by and between RICHARD L. GARBUTT and PATRICIA A. GARBUTT AS TENANTS BY THE ENTIRETY,

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 3 IN BLOCK 5 OF SECOND ADDITION TO MOYINA, 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 SIXTY-EIGHT THOUSAND AND NO/100 \$68,000.00 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 installment of said note not sooner paid, to be due and payable JUNE 15, 1989, on which the final installment of said note becomes due and payable.

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said note is 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, defend and maintain said property in good condition and repair, not to remove or destroy any building or improvement thereon, not to commit or permit any waste of said property, and in good and workmanlike manner, to keep said property free from all liens, mortgages, judgments, claims, damages or other encumbrances, and to pay all taxes, assessments, levies, and other charges, and to pay all costs incurred therefor. 2. To complete and pay when due all costs incurred for repairs, damages, or other encumbrances, and to pay all taxes, assessments, levies, and other charges, and to pay all costs incurred therefor. 3. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property, and to pay for the same in the manner and at the times provided by law, and to pay for the same in the manner and at the times provided by law. 4. To execute and deliver to the beneficiary, at the time of the recording of this deed, a 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, and to continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire, theft, and other causes, and to continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire, theft, and other causes, and to continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire, theft, and other causes.

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 or against said property before any part of such taxes, assessments and other charges become due or delinquent, and to promptly deliver receipts therefor to the 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, beneficiary may, at its option, make payment of this trust deed, without waiving or becoming a party to the breach of the property hereby, shall be added to and become a part of the debt secured by this trust deed, and the amount so added shall be added to the principal of the trust deed, 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 with or in enforcing this obligation and expenses of trustee's attorney in connection with or in enforcing this obligation and expenses of trustee's attorney in connection with or in enforcing this obligation.

7. To appear in and defend any action or proceeding purporting to affect the security or rights of the 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 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 have the right, if it so elects, to require that all or any portion of the monies payable under the right of eminent domain or condemnation, shall be paid to beneficiary as compensation for such taking, which are in excess of the monies payable to grantor, shall be paid to beneficiary as compensation for such taking, which are in excess of the monies payable to grantor, shall be paid to beneficiary as compensation for such taking, which are in excess of the monies payable to grantor.

9. At any time and from time to time upon written request of beneficiary, and upon execution of such instrument as shall be necessary in obtaining such compensation, promptly from time to time upon written request of beneficiary, and upon execution of such instrument as shall be necessary in obtaining such compensation, promptly from time to time upon written request of beneficiary, and upon execution of such instrument as shall be necessary in obtaining such compensation.

10. Payment of its full reconveyances, with interest on the debt secured by this instrument, shall be made by grantor, and the liability of any person for the payment of the indebtedness, trustee may, at its option, make payment of the indebtedness, trustee may, at its option, make payment of the indebtedness, trustee may, at its option, make payment of the indebtedness.

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.

...The grantor covenants and agrees to and with the beneficiary and those claiming under him, that he is law-  
fully 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) for the purchase of real property for the use and benefit of the beneficiary and his heirs, assigns, administrators, executors, and assigns.  
(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, 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.

RICHARD L. GARBUTT  
Patricia A. Garbutt  
PATRICIA A. GARBUTT

\* 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.

(If the signer of the above is a corporation, use the form of acknowledgment opposite.)

STATE OF OREGON  
County of Klamath  
This instrument was acknowledged before me on June 24, 1988, by Richard L. Garbutt and Patricia A. Garbutt who signed as their voluntary deed and act.

Notary Public for Oregon  
My commission expires: 6-12-92

STATE OF OREGON  
County of \_\_\_\_\_  
This instrument was acknowledged before me on 19\_\_ by \_\_\_\_\_ as \_\_\_\_\_ of \_\_\_\_\_  
Notary Public for Oregon  
My commission expires: \_\_\_\_\_ (SEAL)

REQUEST FOR FULL RECONVEYANCE  
To be used only when obligations have been paid.

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by 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: \_\_\_\_\_

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**  
FOL 3 (FORM No. 881) 2 OF 2 CO  
STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

RICHARD L. GARBUTT  
PATRICIA A. GARBUTT  
Grantor

SOUTH VALLEY STATE BANK  
Beneficiary

AFTER RECORDING, RETURN TO:  
SOUTH VALLEY STATE BANK  
5215 SOUTH SIXTH STREET  
KLAMATH FALLS, OR 97603

LIFE IN THE OFFICE OF THE (STATE OF OREGON,  
D WODITION TO WODIVY' YOCOSD County of Klamath } ss.

I certify that the within instrument was received for record on the 28th day of June, 1988, at 4:07 o'clock P.M., and recorded in book/reel/volume No. M88 on page 10107 or as fee/file/instrument/microfilm/reception No. 88687, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk  
NAME TITLE  
By Pauline Mueller, Deputy

Fee \$13.00