

as Grantor, WILLIAM P. BRANDSNESS

SOUTH VALLEY STATE BANK

WITNESSETH:

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:

ENCLOSURE SEE ATTACHED EXHIBIT C

THIS IS ONE OF FOUR DOCUMENTS SECURING A LOAN TO ROGER H. FLAGG & MARGARET A. RAMSAY DATED OCTOBER 11, 1988 IN THE AMOUNT OF \$25,000.00 MATURING OCTOBER 20, 1989. THIS COLLATERAL ALSO SECURES LOAN #201986.

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 TWENTY FIVE THOUSAND AND NO/100 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS _____ Dollars; with interest thereon according to the terms of a promissory note executed by said grantors as lender and beneficiary or order and made by grantor; the final payment of principal and interest hereof, if

AND RENEWALS

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 OCTOBER 20, 1989.

The debt secured by this instrument is the debt, stated above, on which the final installment of said note and interest therein is sold, agreed to be

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

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; and

2. To grant, execute and record a first mortgage lien in favor of the lender, with all covenants, conditions and provisions of the mortgage instrument, which mortgage shall become immediately due and payable.

SECOND PARAGRAPH

grantor any easement or creating any restriction thereon; (c) join in any subdivision or other agreement affecting this deed or the lien or charge thereon; (d) convey, without warranty, all or any part of the property. The mortgage instrument shall contain a provision whereby the "person or persons" referred to in the above paragraph shall be described as the "person or persons" who are the "beneficiaries" of the trust.

2. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed by fire, flood, war, riot, pestilence or other cause, at 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 execute and deliver such documents as may be required by the lender or title insurance company in connection with financing said property pursuant to the Uniform Gifts to Minors Act, the Uniform Transfers to Minors Act, the Uniform Gifts to Minors Act for the United States and Possessions, or any successor legislation.

[illegible]

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire or theft, and to pay the proceeds of said insurance to the beneficiary, less costs and expenses of operation and collection, including reasonable attorney's fees, and to secure the said insurance with first mortgage liens on the property insured, and to pay the proceeds of said insurance to the beneficiary as determined by the beneficiary.

now or hereafter erected on this land. The beneficiary, may from time to time require, in and such other hazardous conditions, the writer to pay to the beneficiary, or to the order of an amount not less than \$_____, **FULL AMOUNT** of the insurance proceeds payable to the beneficiary, as soon as insured policies acceptable to the beneficiary are delivered to the beneficiary. If the beneficiary's policies of insurance shall be delivered to the beneficiary, the beneficiary shall not be entitled to recover any such insurance and to

[illegible]

12. Upon default by grantor of any agreement hereunder, time being of the essence, with respect to such payment and/or performance, the beneficiary hereby or in his presence and in the presence of witnesses, declares that he declares all sums secured hereby immediately due and payable and he hereby declares that he hereby agrees to foreclose this trust deed and to execute all documents necessary to foreclose this trust deed.

beneficiary upon any option of beneficiary the entire amount so collected shall be paid to the beneficiary at his election may proceed to foreclose this trust deed may determine may be released to grantor. Such application shall in equity as a mortgage or direct the trustee to execute to pursue any other right of advertisement and sale, or may in equity, which the beneficiary may have. In remedy, either the beneficiary or the trustee shall execute and cause to be described, and not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such free from construction liens and to pay all of the trustee.

[illegible]

against said property, and any such charges become payable due or delinquent and promptly deliver receipts therefor to the grantor. If the trustee, assess- fix the time and place of sale, give notice therefor as provided in ORS 86.733, and the trustee has the power to foreclose this trust deed in the manner provided in ORS 86.735.

[illegible][illegible]

hereinbefore described, as well as the obligation herein same extent that they are bound to be immediately due, and payable with interest thereon, shall be immediately due, and payable with interest thereon, at the option of the beneficiary, upon notice, and the nonpayment thereof shall, at the option of the beneficiary, be secured by this trust deed immediately due and payable and the same shall be immediately due and payable, in addition to curing the default of the obligor or trustor. In any case, in addition to curing the default of the obligor or trustor, the cure shall pay to the beneficiary all principal and interest due on the obligation of the trustor, and expenses actually incurred in enforcing the obligation of the trustor, together with trustee's and attorney's fees not exceeding the amounts provided for in the deed of trust.

6. To pay all costs, fees and expenses of this trust including the cost of title search as well as the cost of costs and expenses of the trustee incurred in carrying out the duties of the trustee, this obligation and trustee's and attorney's fees shall be paid by the trust and shall be a charge against the trust assets.

[illegible][illegible][illegible]

It is mutually agreed that:

8. In the event that any portion or all of said property shall have been 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 in compensation for such taking, which are in excess of the amount required for the acquisition of the property, be paid or necessarily paid or

[illegible]

applied by it first upon any reasonable costs necessarily paid or incurred by beneficiary in the trial and appellate courts, and the balance applied upon the indebtedness of the trust; and the trustee shall be made by written instrument executed by beneficiary and substituted trustee, and when recorded in the mortgage records of the county in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

9. At any time and from time to time upon written request of beneficiary, payment of its net present value of this deed and the note for principal and interest (including any late charges, for cancellation), without affecting the validity of this deed, shall be made to the beneficiary.

licatory, payment of its fees and presentation of cancellation), without affecting endorsement (in case of full release of the indebtedness, trustee may 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

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 or insurance company authorized to do business under the laws of Oregon or the United States, a real estate company authorized to insure title or savings, and/or a duly qualified agent, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.510.

or savings and loan association authorized to do business
property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent

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: (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 Z, the disclosures; for this purpose, use Stevens-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

Margaret A. Ramsay
Margaret A. Ramsay
Roger H. Flagg

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

STATE OF OREGON,
County of Klamath

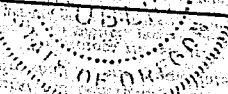
STATE OF OREGON,
County of _____

This instrument was acknowledged before me on Oct. 12, 1988, by Margaret A. Ramsay and Roger H. Flagg.

This instrument was acknowledged before me on 19____, by _____ as _____ of _____

Notary Public for Oregon
My commission expires 2-12-91

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 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 (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.

MARGARET A. RAMSAY
ROGER H. FLAGG

SOUTH VALLEY STATE BANK

SOUTH VALLEY STATE BANK
5215 SOUTH SIXTH STREET
KLAMATH FALLS, OR 97603

STATE OF OREGON,
County of _____

I certify that the within instrument was received for record on the _____ day of _____, 19____, at _____ o'clock _____ M., and recorded in book/reel/volume No. _____ on page _____ or as fee/file/instrument/microfilm/reception No. _____. Record of Mortgages of said County. Witness my hand and seal of County affixed.

By _____ NAME _____ TITLE _____ Deputy

EXHIBIT C

PORTION OF Tract 32, ENTERPRISE TRACTS, Klamath County, Oregon, particularly described in instrument recorded in Volume 256, page 96, Deed Records of Klamath County, Oregon, as follows:

Beginning at a point on the South line of a parcel of land deeded as "Parcel Three" in a deed from the Enterprise Land and Investment Company to Klamath County, Oregon, for road purposes, and described in Klamath County Deed Records, Volume 229, page 300, which point is North 89°54 min. E., 1366.6 feet; thence South 0°06 min. E., 73.0 feet from the Northwest corner of Section 3, Township 39 South, Range 9 East Willamette Meridian, and which point of beginning is on the present Southerly right of way line of Shasta Way; thence North 89° 54 min. E., along the Southerly line of said "Parcel Three", or along the present Southerly right of way line of Shasta Way, a distance of 50.0 feet; thence South 0° 06 min. E., 150.0 feet; thence South 89°54 min. W., 110.5 feet, more or less, to a point on the Southeasterly line of a parcel of land deeded as "Parcel One" in the above mentioned deed in Volume 229, page 300, of Klamath County Deed Records; thence North 30°38½ min. E., along the Southeasterly line of said "Parcel One", a distance of 69.9 feet; thence continuing along said Southeasterly line of said "Parcel One", to the left along the arc of a circle, the radius of which is 175.9 feet and the long chord of which bears North 15°16 min. E., 96.68 feet, more or less, to the point of beginning, being a portion of Tract 32, Enterprise Tracts, in Klamath County, Oregon, and lying in the Northeast quarter of Northwest quarter of Section 3, Township 39 south, Range 9 East Willamette Meridian, Klamath County, Oregon.

TRUST DEED DATED OCTOBER 11, 1988, IN THE AMOUNT OF \$25,000

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of South Valley State Bank the 20th day
of Oct. A.D. 19 88 at 2:39 o'clock P.M., and duly recorded in Vol. M88
of Mortgages on Page 17662

FEE \$18.00

Evelyn Biehn - County Clerk

By Pauline Mullins