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THIS TRUST I	DEED, made this	7thday of illar. Husband an	February d Wife	, 19, between
Walton n. Spilla	I and Mach his op			
William	P. Brandsness			as Trustee, and
as Grantor,				
South Va	lley 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 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.

ith said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the

sum of-----Fifty Thousand and no/100----note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, it not sooner paid, to be due and payable February 25, 1994 with rights to future advances

not sooner paid, to be due and payable February 25, 1994 With rights to future advances and The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said notes 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.

sold, conveyed, assigned or alienated by the grantor without lists In then, at the beneficiary's option, all obligations secured by this instruction, and the beneficiary's option, all obligations secured by this instruction, and 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 in good and workmanlike manner any building or memory and in good and workmanlike manner any building or memory waste of said the security and in good and workmanlike manner any building or memory waste of said property; if the beneficiary so requests, to join in executing such linancing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or olitees, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the heneficiary.

4. To provide and continuously maintain insurance on the buildings and execution and the said premises against loss or damage by fire and such done less than \$ - TUIII almount.

4. To provide and continuously maintain insurance on the buildings and property and the said premises against loss or damage by fire and such done less than \$ - TUIII almount.

4. To provide and continuously maintain insurance on the buildings in the grantor shall fail for any reason to procure any such insurance and policies to the beneficiary at less fifteen days private in the policies of insurance now or her length and the policies of insurance now or her fail and the procure of the p

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 is 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 so compensation for such taking, which are in excess of the amount required so pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it lirst upon any resonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied upon the indebtedness 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, truster 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 adressment allecting this deed or the lien or charge thereof; (d) reconvey, without warrants, all or any part of the property. The grantee in any reconveyame may reclaid a service as the "person or person tegally entitled thereto," and the thickness therein of any matters or lacts shall be conclusive proof of the 4th thickness therein of any matters or lacts shall be conclusive proof of the 4th thickness therein of any matters or lacts shall be conclusive proof of the 4th thickness thereof. Trustee's lees for any of the services mentioned in this paragraph shall be not less than \$5.

10. Upon any detault by grantor hereunder, beneficiary may at any time without notice, either in purson, by agent or by a receiver to be appointed by a court, and services more than 100 person, by agent or by a receiver to be appointed by a court, and services of the adequacy of any security of the indebtedness hereof, in its own name sue or otherwise collect the retains such as and expenses of operation and collection, including reasonable afterney's lees upon any indebtedness secured hereby, 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 line and other insurance policies or compensation or awards for any taking or damage of the property, and the application or release thereof as aloresaid, shall not cure or waive 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 the reformance of any atterment hereunder, time being of the between the reformance of any atterment hereunder, time being of the between the reformance of any atterment hereunder, time being of the

property, and the application or release thereof as slorestus, stain in waive 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 or in his performance of any agreement hereunder time being of the essence with respect to such payment and/or performance, he beneficiary may declare all sums secured hereby immediately due and payable. In such and declare all sums secured hereby immediately due and payable. In such a declare all sums secured hereby immediately due and payable. In such a devent the beneficiary at his election may proceed to rerectose this trust deed in equity as a mortgage or direct the trustee to forestose this trust deed in equity as a mortgage or direct the trustee to forstose this trust deed of the sum of the sum of the process of the sum of the process of the sum of the process of the sum of the sum of the sum of the process of the sum of the

and expenses actually incurred in enforting the Gongares 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 notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of lact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

§ 18. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee attorney. (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority and (4) the surplus, if any, to the grantor or to his successor in interest entitled to surplus.

surplus, if any, to the grantor or to his successor in interest entitled to such surplus. 16. Beneliciary may from time to time appoint a successor or successor sors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneliciary, which when recorded in the mortsage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trusteed, shall be conclusive proof of proper appointment of the successor trustee, 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.

MOTE: 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 sovings and foun 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 subsidiaties, atfiliates, agents or branches, the United States or any agency thereof, or an estrow agent licensed under ORS 676.505 to 676.585.

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.

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 leminine and the neuter, and the singular number includes the plural. IN WITNESS WHEREOF, said grantor has hereunto set his hand the day and year tirst appye 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. llar Spillar (If the signer of the above is a corporation, use the form of acknowledgement opposite.) STATE OF OREGON STATE OF OREGON. County of Klamath County of This instrument was acknowledged before me on ruary 8 19 89by This instrument was acknowledged before me on ... February 8 WALTON H. SPILLAR & RUTH M. SPILLAR Notary Public for Oregon (SEAL) commission expires: My commission expires: 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 toregoing 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 at 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 STATE OF OREGON. (FORM No. 881)
STEVENS NESS LAW PUB. CO., PORTLAND, ORE County of I certify that the within instrument was received for record on theday Walton H & Ruth M Spillar ato'clockM., and recorded in book/reel/volume No. on SPACE RESERVED FOR page or as fee/file/instru-South Valley State Bank ment/microfilm/reception No....., RECORDER'S USE Record of Mortgages of said County. Witness my hand and seal of Beneficiary County affixed. AFTER RECORDING RETURN TO South Valley State Bank 5215 S 6th St. Klamath Falls, OR 97603 By Deputy

Exhibit "A"

Lots 1, 2, and 3 and the West 15 feet of Lot 4, Block 1 of SIXTH STREET 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.

EXCEPTING THEREFROM that portion conveyed to the City of Klamath Falls, Oregon, a municipal corporation of the State of Oregon by instrument recorded April 27, 1978 in Volume M78 at page 8314, Microfilm Records of Klamath County, Oregon, to wit:

A parcel of land lying in Lot 1, Block 1, SIXTH STREET ADDITION, Klamath County, Oregon, the said parcel being described as follows:

Beginning on the North line of said Lot 1 at a point 10 feet East of the Northwest corner of said Lot 1; thence West along said North line 10 feet to said Northwest corner; thence South along the West line of said Lot 1, a distance of 10 feet; thence Northeasterly in a straight line to the point of beginning, containing 50 square feet.

Walton H. Spillar Ruth M. Spillar Loan no. 203523 February 7, 1989

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed fo	or record at request	of Mortgages on Page 2520 of Evelyn Biehn County Clerk	M89 day
FEE	\$18.00	By Orelese Mucleard	ere-