

TRUST DEED

as Grantor, WILLIAM P. BRANDSNESS
SOUTH VALLEY STATE BANK

as Beneficiary,

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:

SEE ATTACHED EXHIBIT "B"

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of THIRTY THOUSAND AND NO/100'S 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 any, due and payable MAY 11, 1990 WITH RIGHTS TO RENEWALS AND ADVANCES.

sum of ****THIRTY THOUSAND AND NO/100'S**** 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 not sooner paid, to be due and payable **MAY 11, 1900** WITH RIGHTS TO RENEWALS AND ADVANCES. 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, or when due 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 obtain and maintain such financing statements pursuant to the Uniform Commercial Code; to pay all taxes and assessments levied on the property; to join in executing all documents and to pay for filing same in the local Government; to execute and file all documents and to pay for searches made by proper public office or offices, as well as the cost of any other searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary; to cause continuously to maintain insurance on the buildings

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 such other hazards as the policy or policies may contain, written in an amount not less than \$_____ later; and the policies acceptable shall be delivered to the beneficiary as soon as insured; and if the grantor shall fail or any reason to procure any such insurance and to deliver said policies to the beneficiary at least _____ days prior to the expiration of any policy of insurance now or hereafter placed on said buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any such insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any note due pursuant to such notice.

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 past due or delinquent and promptly to pay any such taxes, assessments or charges should the grantor fail to make payment of any taxes, assessments or charges; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or charges payable by grantor, either by direct payment or by payment of the same by the beneficiary with funds with which to make such payment, the beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note set forth hereby, together with the obligations described in paragraph 4 hereof, shall be secured by this trust deed, shall be added to and become a part of the principal 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 propo-

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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. The trustee shall defend any action or proceeding purporting to set aside or annul the gift.

7. To defend 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 paid by the grantor and in the event of an appeal from any judgment rendered by 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:

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 to be justly and equitably compensated for the loss of the property. It is understood and agreed that the grantor hereby irrevocably and exclusively authorizes beneficiary to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount necessary to pay all reasonable costs, expenses and attorney's fees, be necessarily paid or expended by the grantor in such proceedings, shall be paid to beneficiary and incurred by grantor in such proceedings, and the costs and expenses and attorney's fees, applied by it first upon any reasonable claims, shall be paid to beneficiary and incurred by it in the trial and any proceedings, and the balance applied upon the indebtedness of beneficiary in such proceedings, and the grantor agrees, at its own expense, to take such actions as may be necessary to 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; (4) easement or creating any restriction thereon; (5) join in any subordination; or other agreement affecting this deed or the lien of charge thereon; (6) reconvey, without warranty, all or any part of the property. The grantee, in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of matters or facts shall be conclusive proof of the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

be conclusive proof of the truth of the facts stated in said paragraph shall be not less than \$5.

Section 10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or attorney-in-fact, enter upon and take possession of any security for the indebtedness hereinbefore mentioned, and thereafter may cause such security to be sold or otherwise disposed of therefor, in its own name sue or otherwise collect the same, and receive the proceeds thereof, and pay the same, issues, and profits, including those past due and interest thereon, including reasonable attorney's fees and expenses of operation and collection, including reasonable attorney's fees and expenses of operation and collection, 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 cure or waive any default or notice of default hereunder or invalidate any act done in violation of 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 payment and/or performance, the beneficiary may declare a default and the trust shall be deemed to be in default. In the event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to pursue any other right of advertisement and sale, or may direct the trustee to pursue any other 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 shall cause to be recorded his written notice of sale and shall cause the trustee shall execute and cause to be recorded his written obligation and his election to sell the said described real property to satisfy the obligation and his election to foreclose. The trustee shall fix the time and place of sale, give notice therefor whereupon the trustee shall fix the time and place to foreclose this trust deed as then required by law and as provided in ORS 86.735 to 86.795, in the manner provided in ORS 86.735 to 86.795.

[illegible]

14. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels in the order of the bids received, to the highest bidder for cash, payable at the time of the sale. The trustee shall deliver to the purchaser without any covenant or warranty, express or implied, the property described in the deed of gift, together with the title thereto, and the recitals in the deed of any matters of fact shall be conclusively presumed to be true. The trustee, but including the trust, shall be free of all liability of the trustfulness thereof. Any person, other than the trustee, who is present at the sale shall be deemed to have accepted the terms of the sale.

15. When trustee sells pursuant to the power herein provided, he shall apply the proceeds of sale in payment of (1) the expenses of sale, interest thereon, the compensation of the trustee and a reasonable charge by him as trustee; (2) to the satisfaction of all persons claiming against or having recorded liens subsequent to the date of death of the trustor to his attorney; (3) to the obligation secured by the mortgage of the trustee in the trust having recorded liens subsequent to the date of death of the trustor to their attorney; and (4) the balance of the proceeds 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 or any trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, the trustee so appointed shall be vested with all title, powers and duties contained in this deed, and the trustee herein named or appointed hereunder. Each such appointment of a successor trustee herein named or appointed hereunder shall be counted by beneficiary, and substitution shall be made by written instrument executed and acknowledged 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 and after 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 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 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 by making required disclosures; for this purpose use Stevens-Noss Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

William D. Hirengen
WILLIAM D. HIRENGEN
Virginia Hirengen
VIRGINIA HIRENGEN

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

STATE OF OREGON,

County of KLAMATH } ss.

This instrument was acknowledged before me on

May 11, 1989, by

William D. + Virginia Hirengen

Hirengen

Doreen Madden

Notary Public for Oregon

(SEAL)

My commission expires: 10.5.90

STATE OF OREGON,

County of _____ } ss.

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.

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. 381)

STEVENS-NESS LAW PUB. CO., PORTLAND, ORE.

WILLIAM D. HIRENGEN

VIRGINIA HIRENGEN

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK
5215 SOUTH 6TH STREET
KLAMATH FALLS, OR 97603

SPACE RESERVED
FOR
RECORDER'S USE

STATE OF OREGON,

County of _____ } ss.

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.

NAME

TITLE

By _____ Deputy

8465

EXHIBIT "B"
WILLIAM D. AND VIRGINIA HIRENGEN

A parcel of land situated in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 14 and NW $\frac{1}{4}$ NW $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 23 Township 39 South, Range 8 E.W.M., more particularly described as follows: Beginning at the South quarter corner of Section 14 which is also common to North quarter corner of Section 23; thence North along the West line of SE $\frac{1}{4}$ of Section 14 a distance of 523.0 feet to a 5/8" iron pin; thence South 38° 25' East 759.7 feet to a 5/8" iron pin which is also on the Northerly right of way of Klamath Falls to Ashland Highway; thence South 55° 14' West 574.65 feet along the Northerly right of way of Klamath Falls to Ashland Highway, to a 5/8" iron pin; thence North 400.00 feet along the West line of the Northeast quarter of Section 23 to the point of beginning.

JH WDA

STATE OF OREGON: COUNTY OF KLAMATH: SS.

Filed for record at request of South Valley State the 16th day
of May A.D., 19 39 at 11:05 o'clock AM., and duly recorded in Vol. M89
of Mortgages on Page 8463
FEE \$18.00
Evelyn Biehn .County Clerk
By Pauline M. Mullen