

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: (a) for the purchase of real property, or (b) for the purchase of a business, or (c) for the purchase of a motor vehicle, or (d) for the purchase of a boat, or (e) for the purchase of a mobile home, or (f) for the purchase of a vacation home, or (g) for the purchase of a second home, or (h) 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-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 15, 1990, by

Donald L Steers and Hazel F Steers

(SEAL)

My commission expires

8-8-90

Debra L Wetle
Notary Public for Oregon

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.

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. 881)

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

DONALD AND HAZEL STEERS

Grantor

SOUTH VALLEY STATE BANK

Beneficiary

AFTER RECORDING RETURN TO

SOUTH VALLEY STATE BANK
801 MAIN STREET
KLAMATH FALLS OR 97601

SPACE RESERVED
FOR
RECORDER'S USE

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.

NAME

TITLE

By _____ Deputy

EXHIBIT "B"
PAGE 1 OF 2

PARCEL 1:

A parcel of land in Block 242, MILLS SECOND 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, more particularly described as follows:

Beginning at the intersect point of the Easterly line of said property and the Southerly right of way line of the relocated Klamath Falls-Lakeview Highway, which is 40 feet distant Southerly from (when measured at right angles to) the centerline of the said relocated highway; said point also being North 55 degrees 50' 30" West 201.20 feet from the intersection of the Southerly right of way line of said Highway and the Northerly right of way line of Shasta Way; thence North 55 degrees 50' 30" West along said relocated right of way line 94.53 feet more or less to the East line of Lot 2, Block 2 of the Re-subdivision of Block 242, MILLS SECOND ADDITION; thence South 0 degrees 19' 30" East along said East line of said subdivision 167.14 feet more or less to the Northerly line of Shasta Way; thence North 89 degrees 40' 30" East 30.51 feet along said Northerly line of Shasta Way to an iron pin; thence North 22 degrees 19' 30" East 123.12 feet more or less to the point of beginning.

PARCEL 2:

The Westerly 80.42 feet of Lots 4 and 5 and the Westerly 80.42 feet of the South 20 feet of Lot 3, Block 2, Resubdivision of Block 242, MILLS SECOND 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.

AND ALSO Lot 1, Block 2; ALSO the following described portion of Lots 2 and 3, Block 2; Beginning at a point on the West line of said Lot 3 which point is North 0 degrees 05' East a distance of 20 feet from the Southwest corner of said Lot; running thence East along the North line of the South 1/2 of said Lot 3, a distance of 80.42 feet, more or less, to a point 27.58 feet West of the East line of said Lot 3; thence North 98.24 feet, more or less, to a point on the Southwesterly side of South 6th Street; thence North 55 degrees 15' West along the Southwesterly side of South 6th Street, a distance of 48.89 feet, more or less, to the Northwest corner of said Lot 2; thence South along the West line of Lot 2, 106.1 feet, to the Southwest corner of Lot 2; thence West along the line between Lots 1 and 3, 40 feet to the Southwest corner of Lot 1; thence South along the East line of Martin Street 20 feet to the point of beginning.

DONALD AND HAZEL STEERS

EXHIBIT B PAGE 2 OF 2

All lying in Block 242 of MILLS SECOND ADDITION TO THE CITY OF KLAMATH FALLS, Oregon, according to the Supplemental Plat of the Westerly portion of Block 242 MILLS SECOND ADDITION to the City of Klamath Falls, Oregon.

EXCEPTING AND RESERVING from the above described property that portion thereof conveyed by Frank Ferrari, et ux., to the State of Oregon by Deed recorded in Book 148, page 201, Deed Records of Klamath County, Oregon.

PARCEL 3:

The Easterly 27.58 feet of Lots 2, 3, 4 and 5, Block 2 of the Supplemental Plat of the Westerly portion of Block 242, MILLS SECOND 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 the Northeasterly strip deeded to the State of Oregon for the widening of South Sixth Street.

Tax Account No: 3209 033DC 15700
3209 033DC 15800
3209 033DC 15900

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 18th day
of June A.D., 19 90 at 2:57 o'clock P.M., and duly recorded in Vol. M90,
of Mortgages on Page 11900.

FEE \$23.00

Evelyn Biehn - County Clerk

By Pauline M. Mendenhall

DONALD AND HAZEL STEERS