It is mutually agreed that:

In the event that any portion or all of said property shall be taken under the right of eminent domain or condemnation, beneliciary shall have the right, it it so 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 to 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 first upon any reasonable 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 egress, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation promptly unpendenticiary's required to move the consensation of the 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

olderhot with trustees and attorney's tees 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 Jaw conveying the property of the process of the parcel of the parcel of the parcel of the process of more and the process of the parcel of the process of the process of the parcel of the process of the

surplus, it 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 successors to any trustee named herein or to any successor trustee appointed herein to the successor trustee appointed herein to the successor trustee appointed herein to the successor trustee herein named or appointed thereuped and the successor trustee herein named or appointed thereuped and substitution shall be made by written instrument executed by beneliciary, which, when recorded in the mortfage records of the county or countries in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this dred, 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.

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 bo or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to a property of this state, its substidiaries, affiliates, agents or branches, the United States a range agenty thereof, or an extrawa agent Leaned where OS 69

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 trust deed is also subject to the terms and conditions more particularly set forth on the addendum marked Exhibit "B" attached hereto and made a part hereof.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are:

(a)* primarily for grantor's personal, family or household purposes (see Important Notice below).

(b) for an organization, or (even it 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 teminine 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. OLIVER A. * 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 X, the beneficiary MUST comply with the Act and Regulation by making required beneficiary 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 acknowledgement opposite.) STATE OF OREGON, STATE OF OREGON, WE County of Klamath JACKSON } 55. County of .. This instrument was acknowledged before me on This instrument was acknowledged before me on Object R. SPIRES (SEAL)

My commission expres: \-26-92 of .. (SEAL) Notary Public for Oregon My commission expires: el, E OF DIE REQUEST FOR FULL RECONVEYANCE To be used only when obligations have been poid. 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 under the terms of trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed or pursuant to statute, to cancel all evidences of indebtedness secured by said trust deed. said trust deed or pursuant to statute, to cancer an evidences of indeptedness 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 19..... Reneticiary Do not less or destroy this Trust Deed OR THE NOTE which it secures. Both must be delivered to the trustee for concellation before reconveyor STATE OF OREGON, County of TRUST DEED I certify that the within instrument " avtached herero and was received for record on theday (FORM No. 881) at _____o'clock __/M., and recorded in book/reel/volume No. _____ on Commented as ्या प्रस्तित हालका है। एक ... or as tee/file/instru-SPACE RESERVED ment/microfilm/reception No..... Grantor FOR RECORDER'S USE

Record of Mortgages of said County. Withess my hand and seal of SPATORE, IA County affixed. AFTER RECORDING RETURN TO

Deputy

Theretwest, in C. Ste. 40-803 Main Street Ste. 40-Klaimath Falls, OR 97601

9392

Lots 21, 22, and 23, Block 17, INDUSTRIAL ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath, County, Oregon.

PARCEL 2:

Lots 24 and 25, Block 17, INDUSTRIAL ADDITION, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

7. Agreement for an existing hot water well on Lot 26, Block 17 Industrial Addition to the City of Klamath Falls, Dated: July 6, 1978 Recorded: July 6, 1978

Volume: M78, page 14529, Microfilm Records of Klamath County, Oregon By and between: Theodore Stanke and Mildred Stanke, husband and wife and Theodore H. Gehrman and Muriel F. Gehrman, husband and wife

(Affects Parcel 2)

8. Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances as may be provided therein; Dated: January 1, 1980
Recorded: January 21, 1980

Volume: M80, page 1238, Microfilm Records of Klamath County, Oregon Grantor: Gary Robb and Peggy E. Robb

Trustee: Glenn D. Ramirez Beneficiary: Floyd W. Talbert (Affects Parcel 1)

9. Contract, subject to the terms and provisions thereof, Dated: November 15, 1983
A Memorandum of which was Recorded: November 16, 1983

Recorded: November 16, 1983
Volume: M83, page 19723, Microfilm Records of Klamath County, Oregon Vendor: Theodore H. Gehrman and Muriel F. Gehrman, husband and wife (Affects Parcel 2)

The Effect of Warranty Deed, subject to the terms and provisions thereof;
Recorded: September 19, 1989
Volume: M89, page 17621, Microfilm Records of Klamath County,
Oregon

Re-recorded: October 10, 1989 Volume: M89, page 19126, Microfilm Records of Klamath County, Oregon

From: Oliver R. Spires also known as Oliver R. Spires, II and Diane E. Spires, husband and wife To: TW Motors, inc., an Oregon corporation

10. Trust Deed, subject to the terms and provisions thereof, given to secure an indebtedness with interest thereon and such future advances be provided therein; Dated, June 4, 1984
Recorded, June 6, 1984
Volume: M84,page 9476, Microfilm Records of Klamath County, Oregon Grantor: Oliver R. Spires and Dianne E. Spires, husband and wife Trustee: Mountian Title Company
Beneficiary: Theodore A. Thomas dba T. A. Thomas Associates (Affects Parcel 1)

PAGE ____

EXHIBIT "B" ADDENDUM TO TRUST DEED

- Grantor covenants and agrees to pay at least ten (10) days before delinquency, when due, all encumbrances, real property taxes, charges and liens with interest on said property or any part thereof which appear to be prior to or superior hereto. grantor fail to make any payment or do any act as herein provided, then beneficiary or trustee, but without obligation to do so and without notice to or demand upon grantor and without releasing grantor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, beneficiary or trustee being authorized to enter upon said property for such purposes, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of beneficiary or trustee, pay, purchase, contest or compromise any encumbrance, charge or lien when in the judgment of either appears to be prior or superior hereto and in exercising any such powers pay necessary expenses, employ counsel and pay his reasonable fees. The amounts so paid, expenses incurred and reasonable attorneys fees shall be added to and become part of the debt secured by this trust deed without waiver of any rights arising from breach of any of the covenants hereof and for such payments with interest as aforesaid, the property hereinbefore described as well as the grantor shall be bound to the same extent as he is bound for the payment of the obligation herein described and all such payments shall be immediately due and payable without notice and the nonpayment thereof shall at the option of the beneficiary render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.
- 2. A default in the terms of that certain agreement dated May 21st , 1991 between TW Motors, inc., an Oregon corporation, Oliver R. Spires and Spires Subaru, Inc., an Oregon corporation, for the sale of certain assets of TW to Spires shall constitute a default hereunder.

EXHIBIT B
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