

NE

TRUST DEED

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39408

as Grantor, WILLIAM P BRANDSNESS

SOUTH VALLEY 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, Oregon, described as:

LOT 5, BLOCK 8, WASHBURN PARK, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE
IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.
SUBJECT TO: ALL LIENS AND ENCUMBRANCES OF RECORD AND THOSE APPARENT ON THE GROUND.

LOAN #204431 DATED DECEMBER 31, 1990 TO KLAMATH PACIFIC CORPORATION AND MATURING DECEMBER 15, 1992.

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 FOUR HUNDRED FIFTY THOUSAND AND NO/100---- (\$450,000.00)-----

sum of FOUR HUNDRED FIFTY THOUSAND AND NO/100---- (\$50,000.00).
 -----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 DECEMBER 15, 1992 WITH RIGHTS TO FUTURE ADVANCES AND RENEWALS
 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 thereon, and pay 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 execute such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require and to pay for filing same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

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 perils as the said beneficiary may from time to time require, in an amount not less than \$ FIFTY THOUSAND 00 00, written in an amount acceptable to the beneficiary, with loss payable to the beneficiary; and policies of insurance shall be delivered to the beneficiary as soon as insured; if the grantor shall fail for any reason to deliver said policies, the beneficiary shall deliver said policies to the beneficiary at least fifteen days prior to the expiration of the policy of insurance now or hereafter placed on said buildings, and the beneficiary may procure the same at grantor's expense, as applied by beneficiary collected under any fire or other insurance policy, and in such order as beneficiary upon any insubstantiality of the beneficiary the entire amount so collected, or any part hereof may be released to grantor. Such application or release shall not constitute a release of the beneficiary from the obligation to maintain insurance, or to waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

[illegible]

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.

7. To accept, defend and defend any action or proceeding purporting to affect the property rights or powers of beneficiary or trustee; and in any such action or proceeding in which the beneficiary or trustee may appear, including any suit for the foreclosure of the mortgage, to pay all costs and expenses, including the attorney's fees, and the beneficiary's or trustee's attorney's fees; the costs and expenses of the beneficiary or trustee, in all cases, shall be paid by the trial court and in the event the trial court's judgment or decree of the trial court is reversed, the beneficiary or trustee agrees to pay such sum as the appellate court may judge 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, if it so elects, to require that all or any portion of the amount payable as compensation for such taking, which are in excess of the amount necessarily paid or to pay all reasonable costs, expenses and attorney's fees, shall be paid to beneficiary and incurred by grantor in such proceedings, and attorney's fees and expenses shall be applied by it first upon any reasonable costs and expenses and attorney's fees, both in the trial and on allellate costs, 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 action and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. Upon written request of beneficiary,

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 any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereon; (d) reconvey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "trustee or persons legally entitled thereto," and the recitals therein of the 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.

10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either operation or collection, including reasonable attorney's fees upon any indebtedness hereby 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 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 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, the beneficiary may declare all sums secured hereby immediately due and payable. In such an event the beneficiary at his election may proceed to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or 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 election to foreclose and the trustee shall execute and cause to be recorded his written notice of election to sell the said described real property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceed to foreclose this trust deed in the manner provided in ORS §6.735 to §6.795.

[illegible][illegible]

15. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to the payment of (1) the expenses of sale, including the compensation of attorney for trustee and a reasonable charge by trustee's attorney, (2) to the satisfaction secured by the trust deed, (3) to all persons having recorded liens subsequent to the interest of the trustee in the trust and (4) to the satisfaction of the interests of the beneficiaries of the trust. Any surplus, if any, 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, and upon such appointment, and without conveyance to the successor or successors, the latter shall be vested with all title, powers and interests upon any trustee herein named or appointed hereunder, and such appointment and substitution shall be made by a written instrument executed by beneficiary, in which the grantor and appointor, and the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

acknowledged is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending or proceeding in which any other deed of trust or of any action or proceeding in which the 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-Ness Form No. 1319, or equivalent. If compliance with the Act is not required, disregard this notice.

BOB STEWART TRUCKING, INC.

BY: Robert A. Stewart
ROBERT A STEWART



STATE OF OREGON, County of KLAMATH ss.

This instrument was acknowledged before me on December 30, 1991, by

This instrument was acknowledged before me on December 30, 1991, by Robert A. Stewart

as President

of Klamath Pacific Corp and Bob Stewart Trucking, Inc.

Charles L. Paulson Jr.

Notary Public for Oregon

My commission expires 3-8-94

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.

BOB STEWART TRUCKING, INC.

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

Fee \$13.00

STATE OF OREGON,
County of Klamath } ss.

I certify that the within instrument was received for record on the 3rd day of Jan., 1992, at 11:19 o'clock A.M., and recorded in book/reel/volume No. M92 on page 165 or as fee/title/instrument/microfilm/reception No. 39408, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By Randall M. Nielsen Deputy