

TRUST DEED

Vol. 79 Page 22108

THIS TRUST DEED, made this 17th day of SEPTEMBER 1979 between

DONALD R. HEFTY and MAXINE G. HEFTY, husband and wife
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:

Lots 21, 22, 23 and 24, Block 14, MOUNTAIN VIEW ADDITION TO THE CITY OF KLAMATH FALLS, in the County of Klamath, State of Oregon.

EXCEPTING THEREFROM that portion of said property lying below a depth of 500 feet measured vertically from the contour of the surface thereof; provided, however, that said grantor, its successors and assigns, shall not have the right for any and all purposes to enter upon, into or through the surface or the portion of said property lying above five hundred feet, measured vertically from the contour of the surface of said property.

~~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 **ELEVEN THOUSAND THREE HUNDRED SIXTY AND NO/100**-----

_____ 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 as per terms of note 19__.

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.

The above described real property is not currently used for agricultural, timber or grazing purposes.

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 join in executing 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.

beneficiary. To provide and continuously maintain insurance on the buildings owned or hereafter erected on the said premises against fire or damage by fire and such other hazards as the beneficiary may from time to time require in an amount not less than \$ 100,000 ins. value. _____, written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; and if any policy shall fail for any reason to procure any such insurance and to deliver the same to the beneficiary, the beneficiary, 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 fire or other 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 not cure or waive any default, or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep paid 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 deliver receipts thereunto to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either before or after maturity, by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, make payment thereof and the amount so paid, with interest at the rate set forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a 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 of the trust shall be sold and the proceeds thereof shall be paid to the same extent that they are bound for the payment of the obligations herein described, and all such payments shall be immediately due and payable with 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.

6. To pay all costs, fees and expenses of this trust including the cost of title work and the cost of the insurance of the trust property and to incur in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any action or proceeding in which the beneficiary or trustee may appear, including any action to foreclose the mortgage, to pay all costs and expenses, including defending and title, and the beneficiary's reasonable attorney's fees, the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decree of the trial court, grantor further agrees to pay such sum as the appellate court shall determine to be reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

It is mutually agreed that:

8. In the event that any portion of 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 monies payable as compensation for such taking, which are in excess of the amount required to satisfy the claims of the Government, shall be necessarily paid or expended by beneficiary, in such proceedings, shall be necessarily paid or expended by grantor, in such proceedings, shall be necessarily paid or expended as 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 incurred hereby; and grantor agrees, at its own expense, to take such actions and execute such documents as may 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 any easement or granting any restriction thereon; (c) join in any subordination or other agreement affecting this deed or the lien or charge thereof; (d) reconvey, without warranty, all or 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 any 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.

Page 10: Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, profits, including those past due and unpaid, and apply the same, less costs of collection and collection, including reasonable attorney's fees upon any indebtedness hereby secured, 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, the beneficiary shall declare all sums secured hereby immediately due and payable. In such an event, and if the above-described real property is currently used for agricultural, commercial, or other business purposes, the beneficiary may proceed to foreclose this trust deed in equity, as a mortgage in the manner provided by law for the foreclosure of trust deed foreclosures. However if said real property is not so currently used, the beneficiary, at his election, may proceed to foreclose this trust deed in equity as a mortgage, or may proceed to foreclose this trust deed by advertisement in the manner provided by law for the foreclosure of mortgages by advertisement and sale. In the latter case, the beneficiary shall, in addition to the foregoing, cause to be recorded his written notice of default and his election to sell the said described real property to satisfy the obligations secured hereby, whereupon the trustee shall fix the time and place of sale, give notice thereof as then provided in ORS 86.740 to 86.795.

13. Should the beneficiary elect to foreclose by advertisement and sale then after default at any time prior to five days before the date set by the trustee for the trustee's sale, the grantor or other person so privileged by the terms of the mortgage may pay to the beneficiary or his successors in interest, respectively, the entire amount then due on the mortgage, including interest and the obligation secured thereby (including costs and expenses actually incurred in enforcing the terms of the obligation and trustee's and attorney's fees not exceeding each) other than such portion of the principal as would not then be due had no default occurred. If the beneficiary fails to do so, in which event all foreclosure proceedings shall be dismissed by the trustee.

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 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 sold, with all covenants and warranty, express or implied. The recitals in the deed of any matter shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

15. 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's 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 such surplus.

16. For any reason permitted by law beneficiary may from time to time appoint a successor or successors 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 authority covered upon any trustee herein named or appointed hereunder. Each such appointment and the authority of the successor trustee instrument executed by beneficiary, containing reference to this trust and its place of record, which, when recorded in the office of the County Clerk or Recorder of the county or counties in which the property is situated,

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 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 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, or the United States or any agency thereof.

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 Beneficiary agrees to subordinate to a building loan.

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, household or agricultural purposes (see Important Notice below).

(b) for an agricultural or other purpose other than agricultural.

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 or 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, if this instrument is to be a FIRST lien to finance the purchase of a dwelling, use Stevens-Ness Form No. 1305 or equivalent; if this instrument is NOT to be a first lien, use Stevens-Ness Form No. 1306, or equivalent. If compliance with the Act not required, disregard this notice.

If the signer of the above is a corporation, the same shall apply to the use of the form of acknowledgment opposite.) (ORS 93.490)

STATE OF OREGON
County of Klamath
SEPTEMBER 17, 1979

Personally appeared the above named
Robert L. Creason and Karen
C. Creason, husband and wife

and acknowledged the foregoing instrument to be the voluntary act and deed.

(OFFICIAL SEAL)
Notary Public for Oregon
My commission expires 2/1/81

Robert L. Creason
Robert L. CREASON
Karen C. Creason
KAREN C. CREASON

STATE OF OREGON, County of _____ ss.

Personally appeared _____

who, each being first

duly sworn, did say that the former is the

secretary of

a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that the instrument was signed and sealed in behalf of said corporation by authority of its board of directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me

Notary Public for Oregon (OFFICIAL SEAL)

My commission expires

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.

200 EGG 222109 AGRICTGJJA FROM THE COUNTY OF Klamath

TRUST DEED

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

CREASON Grantor

HEFTY Beneficiary

AFTER RECORDING RETURN TO
TA JULIE

330083

STATE OF OREGON

County of Klamath

I certify that the within instrument was received for record on the 17th day of September, 1979, at 3:28 o'clock P.M., and recorded in book M79 on page 22108 or as file/reel number 74067.

Record of Mortgages of said County.

Witness my hand and seal of

County Clerk

By _____ Deputy

Fee \$7.00