OEM No. 881-Oregon Trust Deed Series-TRUST DEED.	TRUST DEED	Vol. <u>mao</u> Pagie,	n an the second
THIS TRUST DEED, made t RONALD N. HES	his 31ST day of SSER AND BEVERLY A. HESSE	JANUARY	
WILLIAM P. BI	RANDSNESS	<u>të tëndetë en j</u>	is Trustee, an
SOUTH VALLEY	STATE BANK	CARGERS AND TRACK THE AND	<u>e este de la composition</u> nue de la compositione e
as Beneficiary,	WITNESSETH: argains, sells and conveys to true	stee in trust, with power of sa	le, the proper
Grantor irrevocably grants, ba n <u>KLAMATH</u> Cou	inty, Oregon, described as:	and a second	
a se de construction de la tradição da		ENCE MADE A PART HEREOF	

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 connecnow or hereafter appertaining, and the rents, issues and protits thereof and all fixtures now or hereafter attached to or used in connec-tion with said real estate. FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of TWENTY FIVE THOUSAND AND NO/100 ------(\$25,000.00)-----

Dollars, with interest thereon according to the terms of a promissory The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of said notes becomes due and payable. In the event the within described property, or any part thereof, or any interest therein is sold, agreed to be beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or then, at the beneficiary's option, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or the sold.

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. To complete or restore prompily and in good and workmanike manner any building or improvement which may be constructed, damaged or destroyed, thereon, and pay when due all costs incurred therefore, or comply with all laws, ordinances, regulations, covenants, condi-5. To comply with all laws, ordinances, regulations, covenants, condi-tions and restrictions allecting statements pursuant to the Uniform Comme-cial Code affects beneficiary may require and to pay for liting same in, the proper public offices or searching agencies as may be deemed desirable by the buildicary.

To comply with all laws, ordinances, redulations, covenants, conditions and restrictions allecting said property; if the beneficiary so requests, to for the covenants, control in a receiving such linancing statements pursuant to the Uniform Commercial Code a while beneficiary may require and to pay for lifting same in, the proper public offices or offices, as well as the cost of all lien searches made proper public offices or searching agencies as may be deemed desirable by the beneficiary.
To provide and continuously maintain insurance on the buildings and such other hazards as the beneficiary may iron time to time require, in an amount not less the other beneficiary may from time to time require, in an amount not less that the thermal proper public offices or searching agencies to the beneficiary as soon as insured; policies of insurance hall be delivered to the beneficiary as soon as insured; the frantor shall be it to the test insurance policy may be applied by buildings of insurance now or hereafter placed on said buildings of insurance now or hereafter placed on such and control to the same at grantor's expense. The amount of the beneficiary at less tilteen days prior to the expiration of any policy of insurance now or hereafter placed on societate, or may deterthered, may be released to grantor. Such application or release shall any and there charges that may be levied or assessed upon or takes assessments and other charges that may be levied or assessed upon or takes, assessments and other charges that may be levied or assessed upon or the said prometry before any part of such mater, and any or the solution interest with the obligations described in the thered, may be eleveed to make payment of by trantor, either for the said prometry belore any part is used there assessed upon or takes, assessments and other charges that may be levied or assessed upon or the said prometry belore any part is used frame as a dore of this therest, insurance and low and ther charges that may be th

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, il is o 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 ees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and puplied by it first upon any reasonable costs and expense and attorney's lees. both in the trial and appellate courts, necessarily paid or incurred by beneficiary and theiary in such proceedings, and its balance applied upon the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such com-gendorment (in case of hull reconveyances, to rake such actions tendorsent (in case of hull reconveyances, to rake such atlering the liability of any person for the payment of the indebtedness, truste 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 allocting this deed or the lien or charge thereoi; (d) reconvey, without arranty, all or any part of the property. The grantee in any reconvey and the recitals therein of any matters or lacts shall be conclusive proof of this paragraph shall be not less than \$5. services mentioned in this paragraph shall be not less than \$5. time without notice, either in person, by agent or by a receiver to be ap-pointed by a court, and without regard to the adequacy of any security for pointed by a court, and secured, enter upon and take possession of said prop-ret issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same. Issues and profits, including those past due and unpaid, and apply the same.

less costs and expenses of order secured hereby, and in order the new's less upon any indebtedness secured hereby, and in order the liciary may determine. 11. The entering upon and taking possession of said property, the collection of such rents, issues and prolits, or the proceeds of fire and other collection of such rents, issues and prolits, or the proceeds of the and other insurance, policies or compensation or awards for any taking or damage of the insurance, policies or compensation or release thereoi as aloresaid, shall rot cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

property, and the application or release thereof as aloresaid, shall rot cure of waive any default or notice of default hercunder 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 petite and payable. In such any declare all sums secured hereby immediately due and payable. In such any declare all sums secured hereby immediately due do payable. In such any declare all sums secured hereby immediately due colcose this trust deed in equity as a mortgage or direct the trustesse to foreclose this trust deed advertisement and sale, or may direct the beneficiary may near remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to loreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded his written notice of default and his election to any the trustee shall in the time and place of sale, give notice thereof as then required by law and proceed to loreclose this trust deed sole, and at any time prior to 5 dega so priviled by ORS 86.753, may cure the default or defaults. If the default may be cured by pay may cure the default of defaults. If the default may be cured by pay, when due, sums secured by the trust deed the default may be cured by paying the sums secured by the trust default on such portion as would entire amount due at the time of the cure other than such portion as would entire amount due at the time of the cure other than such portion as would entire amount due at the time default contrast of a failure to pay, when due sole, the gerson effecting the performance required under the beligation or, trust deed. In any case, in addition to curing the default obligation or, trust deed. In any case, in addition to curing the default of being cured may be cured by tendering the pobligation of the trust defaults, the person effecting the s

use present the incurred in enforcing the obligation of the frust deed and expenses actually incurred in enforcing the obligation of the frust deed 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 tell said property either in one paretel or in separate parcels and shall set the time to which said sale may be postponed as provided by law. The trustee may tell said property either and the receiver to the purchaser its deed in form or warranty, express or implied. The recitals in the deed any matters of lact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the granter and beild sale to any matters of lact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the granter and beneficiary, may purchase at the sale.
T5. When trustee sells pursuant to a powers provided herein, trustee shall delive the other sales to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's statorney. (2) to the obligation secured by the trust deed, (3) to all persons having recorded liens subsequent to the advect sort in interest on the trust end therein or to any successor or successor to any trustee ham and herein or to any successor or succestrustee. He latter shall manned herein or to any successor trustee appointed herein and subtout conversance to the successor in successor or succestruste. The latter hall here mate the country or countier which, when operty is ituated, shall be conclusive proof of the successor in the successor in the successor or succestrustee and the sum any trustee to appoint and the country or countier of which, when operty is ituated, shall be conclusive proof of the successor in the successor in the successor or successhall and the latter successor is a successor or succe

attorney, who is an active member of the Oregon State Bar, a bank, trust company region or the United States; a title insurance company authorized to insure title to real tates or any agency thereof, or an escraw agent licensed under ORS 696.505 to 696.585. NOTE: The Trust Deed Act provides that the trustee hereunder must be either an or savings and loan association authorized to do business under the lows of Or property of this state, its subsidiaries, affiliates, agents or branches, the United S

7273 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 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 leminine 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. Gonaldlittesse \* IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is not applicable; if warranty (c) is applicable and the beneficiary is a creditor as such word is defined in the Truth-In-Lending Act and Regulation Z, the baneficiary 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. RONALD N. HESSER Burly a.th BEVERLY A. HESSER (if the signer of the above is a corporation, use the form of acknowledgement opposite.) STATE OF OREGON, ) ss. STATE OF OREGON, County of ..... County of KLAMATH Country of NLASHIII ) This vinstrument was acknowledged before me on 1970, by Some III N Hesser Source III A Hesser Source III A Hesser Notary Ablic for Oregon This instrument was acknowledged before me on ..... 19 as of Notary Public for Oregon (SEAL) SEAL) D My commission expires: IMy commission expires: 8-1-90  $\rightarrow$ Con REQUEST FOR FULL RECONVEYANCE . . . . To be used only when obligations have been paid Trustee The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by said TO: ..... 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: 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 ner, full an grunn er ligari an i gerinden sig hans hanne han han han hanne h STATE OF OREGON, ss. TRUST DEED County of ..... WIRL J BA HOR BREEKE Deertify that the within instrument (FORM No. 1881) VILVENED STEVENE-NESS LAW PUB. CO., PORTLAND. ONE. of ....., 19....., and the second states RONALD N. HESSER and the case where the second in book/reel/volume No. ..... on e George Annald BEVERLY A. HESSER Grantor SPACE RESERVED page .....or as tee/file/instrument/microfilm/reception No...... FOR RECORDER'S USE Sec. Sec. Record of Mortgages of said County. Witness my hand and seal of SOUTH VALLEY STATE BANK 1524272 County affixed. Beneticiary HEIRIN (MELLER AFTER RECORDING RETURN TO NAME SOUTH VALLEY STATE BANK 5.6 801 MAIN STREET Deputy KLAMATH FALLS, OR 97601 By ..... WHOL DEED Tan aleta, a bar

EXHIBIT 1

## PARCEL 1:

A portion of the NW1/4 SE1/4 of Section 10, Township 36 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

7274

Beginning at a point South 00 degrees 37' West along the North-South center section line a distance of 400 feet from the center of Section 10, Township 36 South, Range 6 East of the Willamette Meridian; thence continuing along said section line a distance of 65 feet to a point; thence North 89 degrees 17' East parallel to the East-West center section line a distance of 100 feet to a point; thence North 00 degrees 37' East, parallel to said North-South section line a distance of 65 feet to a point; thence South 89 degrees 17' West parallel to said East-West center section line a distance of 100 feet, more or less to the point of beginning.

Tax Account No: 3606 010DB 01100

PARCEL 2:

A portion of the NW1/4 SE1/4 of Section 10, Township 36 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the center of said Section 10; thence Southerly along the North-South center line of said section a distance of 300 feet to the true point of beginning; thence continuing South along said center section line a distance of 100 feet to a point; thence Easterly parallel to the East-West center line of said Section 10 a distance of 100 feet; thence Northerly parallel to said North-South center line a distance of 100 feet to a point; thence Westerly parallel to said East-West center line a distance of 100 feet, more or less to the point of beginning.

Tax Account No: 3606 010DB 01000

RONALD N. & BEVERLY A. HESSER

4/13/90 Batt