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TRUST DEED MT-18904

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THIS TRUST DEED, made this 2ND day of NOVEMBER, 1987, between CRAIG A. CHASE AND LESLIE BERNICE CHASE, AS TENANTS BY THE ENTIRETY, as Grantor, WILLIAM P. BRANDSNESS

**SOUTH VALLEY STATE BANK**

**WITNESSETH**

SEE ATTACHED EXHIBIT "A"

KNOWLEDGE

together with all and singular the tenements, hereditaments and appurtenances and all other rights now or hereafter appertaining, and the rents, issues and profits thereof, unto the said John and his heirs forever, together with said real estate.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of TWELVE THOUSAND AND NO/100 TO RENEWALS AND FUTURE ADVANCES

not sooner paid, to be due and payable NOVEMBER 2, 1988 By grantor, the final payment of principal and interest hereof, if 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, as and when such obligations shall then be due.

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

To protect the security of this trust, the

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain said property, grantor agrees: not to commit or permit any waste; not to demolish any building or improvement in good condition; not to remove, complete or restore any property in a negligent or improper manner; any building or improvement which may be old and workmanlike and destroyed thereon, and pay for all costs incurred therefor; and to comply with all laws, rules, regulations, covenants, conditions and restrictions affecting said property, including the Uniform Condominium Act, as the beneficiary may require and to pay for filing and recording in the public office or offices, as may be required and to pay for filing and recording by filer, attorney or searching agencies at the cost of all lien searches in the beneficiary.

10. To provide and continuously maintain insurance on the buildings now or hereafter erected on the said premises against loss or damage by fire and other causes, as the beneficiary may from time to time require, in policies acceptable to the beneficiary, with loss payable to the beneficiary; if the grantor shall fail for any reason to provide such insurance as soon as insured, the beneficiary shall deliver said policy to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on the buildings; the beneficiary may procure the same now or hereafter placed on the buildings to collect under any fire or other insurance at grantor's expense. The beneficiary may determine, or may be deemed secured hereby and may be applied by beneficiary in any part thereof, any portion of beneficiary's entire cash order as beneficiary may desire, or waive any default or notice of default hereunder or invalid or neglect to demand such notice.

5. To keep said such notice, and to cause said notice to be duly recorded hereunder or invalidate any taxes, assessments and other charges that may be levied or assessed upon or to pay all against, said property before any part of such taxes, assessments and other charges become past due or delinquent, and promptly deliver receipts and other documents, insurance premiums, liens or other charges payable by grantor, either by direct payment, or by providing beneficiary with funds with which to make such payment, beneficiary may, at its option, cause payment thereof, together with the obligations described in paragraph 7 of the note secured trust deed, shall be added to and become a part of the debt secured by this covenants hereof, and for such payments arising from breach of any of the covenants hereinbefore described, as well as the grantor shall be bound to the same extent that the grantor shall be bound to the payment of the obligation hereinbefore described, and all such payments shall be immediately due and payable with interest on all sums secured by this trust deed, at the option of the beneficiary, in the event of breach of this trust deed, and immediately due and payable in the event of breach of this trust deed.

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 trust deed, the cost fees actually incurred.

7. To appear in and defend any action or proceeding brought to the security rights or powers of beneficiary or trustee, and to prosecute or defend in which the beneficiary or trustee may appear, including to obtain evidence of title and to pay all costs and expenses, including the attorney's fees mentioned in paragraph 7, in any action or proceeding of the trial court and in the event of an appeal in paragraph 7 in all cases shall defend and in the event of an appeal in paragraph 7 in all cases shall defend and in the event of an appeal in paragraph 7 in all cases shall defend reasonable as the beneficiary's or trustee's appeal.

8. It is mutually agreed that: 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 to pay all reasonable costs, expenses and attorneys' 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, incurred in the trial and appellate courts, the balance to be paid to Beneficiary in such proceedings, and the balance applied upon the indebtedness secured hereby. Grantor agrees, at its own expense, to take such actions and execute such instruments as shall 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 full reconveyance for cancellation) without affecting the liability of any person for the payment of the indebtedness, trustee may

NOTE: The Trust Deed is

(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 subordination or other agreement affecting this deed or lien or any grantee; (d) reconvey, without any warranty, all or any part of the property legally entitled to be reconveyed may be described as the "person or persons" and the recitals thereof shall be deemed to be the "person or persons" and the recitals thereof. Trustee's fees for all services mentioned in this paragraph shall be not less than \$5.00 per time.

[illegible]

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 invalidity of any instrument pursuant to such notice.

hereby or in any manner default hereunder or invalidate any act done or omitted to be done hereunder, the beneficiary may, at any time, declare all sums secured hereby immediately due and payable, the beneficiary may, at any time, in its or his discretion, exercise its or his right to sell, assign, mortgage or direct the trustee to proceed to foreclose the trust deed secured hereby, and the trustee may proceed to foreclose this trust deed by advertisement and sale. In the latter event, the trustee shall, after the sale of the said described property, deliver to the beneficiary or the trustee such proceeds of the sale of the said described property as may be due to the beneficiary or the trustee hereupon, the trustee shall use the proceeds of the sale of the said described property to satisfy the obligation secured hereby, and the trustee shall be bound to follow the law and the court in the manner provided in ORS 86.735 to 86.755.

13. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 60 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.775, may cure the default or defaults. If the default consists of a failure to pay, then the entire amount of the trust deed, the debt or debts may be cured by payment of the amount due at the time of the cure or may be cured by payment of the amount due plus interest and costs. If the default consists of a failure to perform an obligation or trust deed, in addition to the performance required that is capable of being performed, the person effecting the cure shall also pay to curing the default or defaults, and expenses incurred in enforcing the obligation or obligation of the trust deed together with the trustee's attorney's fees not exceeding the amounts provided by law. 14. Otherwise, the sale shall proceed and the amounts provided

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 sale may in one lot or in separate parcels. The trustee may sell said property either "à la criée" or by public auction. The trustee may sell said property either "à la criée" or by public auction. The trustee may sell said property either "à la criée" or by public auction. The trustee may sell said property either "à la criée" or by public auction.

15. When trustee sells

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, having recorded a lien subsequent to the trust deed, (2) to all persons indebted as their interests may appear in the interest of the trustee in the trust surplus, if any, to the grantor or to his heirs, devisees, assigns, legatees, and assigns, in the order of their priority.

16. Beneficiary may from time to time appoint a successor or successors to and as trustee named herein or to any successor trustee appointed hereunder. Upon such appointment, and without any trustee appointed hereunder, the latter shall be deemed to have resigned as trustee and any trustee herein named shall, with all title, power and authority to the successor and such successor shall be deemed appointed hereunder. Each appointment and such, when made, shall be made by a written instrument executed by the beneficiary in which the property is the mortgage recipient instrument created by the beneficiary. The successor trustee, if any, shall be conclusively deemed to be the beneficiary.

17. Trustee accepts this trust when this deed, duly executed and acknowledged is made, a public record as provided by law. Trustee is notified 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, 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.

(a) primarily for grantor's personal, family or household purposes (see Important Notice below)  
(b) for the purpose of securing a loan or other financial transaction

This deed applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, 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 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.

Craig A. Chase  
CRAIG A. CHASE  
Leslie Bernice Chase  
LESLIE BERNICE CHASE

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

NOVEMBER 22 1987 by

CRAIG A. CHASE AND

LESLIE BERNICE CHASE

Notary Public for Oregon

My commission expires 9/12/89

STATE OF OREGON

County of

This instrument was acknowledged before me on

1987 by

As

Notary Public for Oregon

My commission expires

(SEAL)

REQUEST FOR FULL RECONVEYANCE

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

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.

CRAIG A. CHASE

LESLIE BERNICE CHASE

SOUTH VALLEY STATE BANK

GRANTOR

BENEFICIARY

AFTER RECORDING RETURN TO  
SOUTH VALLEY STATE BANK  
5215 SOUTH SIXTH STREET  
KLAMATH FALLS, OREGON 97603

STATE OF OREGON,

County of

I certify that the within instrument was received for record on the day of 1987, at o'clock M., and recorded in book/reel/volume No. on page or as fee/tile/instrument/microfilm/reception No. Record of Mortgages of said County. Witness my hand and seal of County affixed.

By

13282



19945

Order No.: 18904

EXHIBIT "A"  
LEGAL DESCRIPTION

The following described real property situate in Klamath County, Oregon:

Beginning at a point where the North and South center line of Section 16, Township 41 South, Range 12 East of the Willamette Meridian, Klamath County, Oregon, intersects the Southeasterly right of way line of the county road running from Malin to the Great Northern Depot, which point of beginning is 359 feet South of the Northeast corner of Lot 14 of said Section 16; thence South 128.37 feet; thence West 155 feet; thence North 75 feet, more or less, to the Southeasterly boundary of said county road; thence North 71 degrees 00' East along the boundary of said county road a distance of 163.93 feet to the point of beginning, being a portion of Lot 14, Section 16, Township 41 South, Range 12 East of the Willamette Meridian.

*CAC*  
*LBC*

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 3rd day  
of November A.D., 19 87 at 3:33 o'clock P. M., and duly recorded in Vol. M87  
of Mortgages on Page 19943  
By Evelyn Biehn, County Clerk  
*[Signature]*

FEE \$15.00