

NE 34553

TRUST DEED

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THIS TRUST DEED, made this 13TH day of AUGUST, 1991, between MICHAEL N CLIFFORD AND ROBIN E CLIFFORD, AS TENANTS BY THE ENTIRETY

as Grantor, WILLIAM P. BRANDSNESS

as Trustee, and

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:

NE1/4 SE1/4 SW1/4 OF SECTION 21, TOWNSHIP 40 SOUTH, RANGE 8 EAST OF THE WILLAMETTE
MERIDIAN, KLAMATH COUNTY, OREGON, EXCEPTING A FIFTY FOOT WIDE ACCESS ROAD EASEMENT
ALONG THE NORTHERN BOUNDARY.

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 and 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 SEVENTY THOUSAND NINE HUNDRED SEVENTY AND 71/100 --- (\$70,970.71) ---

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 AUGUST 15, 1992 WITH RIGHTS TO FUTURE ADVANCES AND 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 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, 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, rules and regulations of the City of Chicago, Illinois, and the State of Illinois, in connection with the construction, maintenance and repair of any building or improvement thereon.

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.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the premises against loss or damage by fire and other such hazards as the beneficiary may from time to time require, in an amount not less than \$ FULL AMOUNT _____ in any event in companies acceptable to the beneficiary, with loss payable to the latter if the grantor or his estate is insured; and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance; and to place 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 to the payment upon any indebtedness secured hereby and in such order as beneficiary may determine at option of beneficiary the entire amount so collected, or any part thereof, may be paid to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

5. To keep said 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 delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, 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, 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 covenant and for such payments, with interest as aforesaid, the promissory extent that they are bound as the grantor, shall be bound to the described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall be 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 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. I agree, incur and defend any action or proceeding purporting to affect the security rights or powers of beneficiary or trustee; and in any suit, action or proceeding in which the beneficiary or trustee is a party, including any suit for the foreclosure of this deed, to pay all costs and expenses, including attorney's fee and the beneficiary's or trustee's attorney's fees; the fixed by the trial court and in the event of an appeal, the amount shall be decreed of the trial court, grantor further agrees to pay such sum as the court may deem 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 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 monies payable as compensation for such taking, which are in excess of the fair market value of all reasonable costs, expenses and attorney's fees necessarily paid or incurred by said beneficiary in proceedings, shall be paid to beneficiary and applied by it first upon any reasonable preexisting indebtedness of beneficiary and 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. Beneficiary shall agree, at its own expense, to take such actions and execute such instruments 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 the liability of said 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 thereof; (d) reconvey, without warranty, all or any part of the property. The legally entitled thereto, and any reconveyance may be described as the "person or persons to be conclusively proved by the truthfulness thereof. Trustee's fees for any of the services mentioned in this paragraph shall be not less than \$5.

10. In any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court and declared to be adequate of any security for the indebtedness hereby secured, enter and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same to the expenses of operation and collection, including reasonable attorney's fees upon the indebtedness 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 the performance of any agreement hereunder, time being of the essence with respect to said performance, the beneficiary may foreclose all sums secured hereby immediately and payable. In such an event the beneficiary at his election may proceed to foreclose this lien on the equity as a mortgage or direct the trustee to foreclose this trust deed by sale and sale, or may direct the trustee to pursue any other right or remedy, either on the equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by sale and sale, the beneficiary or the trustee shall execute and cause to be recorded this assignment of default and his 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 of said sale as then required by law and proceed to foreclose this trust deed in the manner and to the effect herein provided.

in the manner provided in ORS 86.735 to 86.795. (b) After the trustee has commenced foreclosure by advertisement and sale, and at any time thereafter, the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.735 to 86.795 to cure the default or defaults. If the default consists of a failure to pay, when due, the entire amount due at the time of the default, the default may be cured by paying the entire amount due at the time of the default. If the default consists of such portion as would not then be due had no default occurred. Any other default or defaults may be cured by tendering the performance required under the obligation or obligations. In any case, in addition to curing the default or defaults, the person effecting the cure shall also reimburse the beneficiary for all costs and expenses actually incurred in enforcing the obligation or obligations, including attorney's fees together with trustee's and attorney's fees not exceeding the amounts provided in ORS 86.735 to 86.795.

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 and place at which said sale may be postponed as provided by law. The trustee may sell the property in one or more lots or in separate parcels and shall sell the parcel or parcels of the property to the highest bidder, the purchase money to be payable at the time of sale. Trustee shall deliver to the purchaser its deed in full discharge of the property conveyed. The property so sold, but without any covenant or warranty, expressly or implied, shall be sold as the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. The sale shall be made for the benefit of the trust, by the grantor and beneficiary, may purchase at the sale.

15. When the trustee shall purchase at the sale, provided herein trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, interest, (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 and as their interests may appear in the order of their priority and (4) the balance, if any, to the grantor or to his successor in interest entitled to such proceeds.

16. Beneficiary may from time to time appoint a successor or successors to act as trustee hereunder and to any successor trustee appointed hereunder. Upon such appointment, with or without conveyance to the successor trustee, the latter shall be vested with all powers and duties conferred upon any trustee herein named or appointed hereunder. Any appointment and substitution shall be made by written instrument executed by the beneficiary when recorded in the mortgage records of the county or counties in which the property situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, duly executed and
 18. acknowledged is made a public record as provided by law. Trustee is not
 19. obligated to notify any party hereto of pending sale under any other deed of
 20. 1st or of any action or proceeding in which grantor, beneficiary or trustee
 21. 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, in the United States or any agency thereof, or an escrow agent licensed under ORS 606.505 to 606.555.

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

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.

Michael N. Clifford
MICHAEL N CLIFFORD
Robin E. Clifford
ROBIN E CLIFFORD

STATE OF OREGON, County of Klamath) ss.

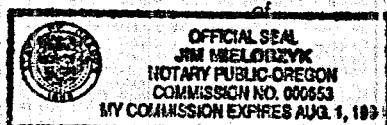
This instrument was acknowledged before me on August 20, 1991,
by Michael N Clifford & Robin E Clifford

This instrument was acknowledged before me on _____, 19____,

by _____

as _____

of _____



Jim Mielke
Notary Public for Oregon
My commission expires 8-1-94

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.

MICHAEL N. AND ROBIN E. CLIFFORD

Grants:

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, } ss.
County of Klamath

I certify that the within instrument was received for record on the 13th day of Sept., 1991, at 10:04 o'clock A.M., and recorded in book/reel/volume No. M91 on page 18449 or as fee/file/instrument/microfilm/reception No. 34553, Record of Mortgages of said County.

Witness my hand and seal of County affixed.

Evelyn Biehn, County Clerk

NAME

TITLE

By R. A. Nelson, Deputy