

38-14062

WHEN RECORDED MAIL TO

EQUITABLE SAVINGS AND LOAN ASSOCIATION

Address 212 South Sixth Street

City Klamath Falls

State Oregon 97601

Loan # 205158560

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SPACE ABOVE THIS LINE FOR RECORDER'S USE

42901

DEED OF TRUST

THIS DEED OF TRUST, made this 1st day of FEBRUARY, 1978, between WILLIAM K. HUFF and BETTINA G. HUFF, husband and wife-----

and TRANSAMERICA TITLE INSURANCE COMPANY----- (GRANTOR),
and EQUITABLE SAVINGS AND LOAN ASSOCIATION, an Oregon corporation, (TRUSTEE)
(BENEFICIARY).

Grantor irrevocably GRANTS, BARGAINS, SELLS AND CONVEYS TO TRUSTEE IN TRUST, WITH POWER OF SALE, the real property in the County of KLAMATH State of OREGON described as follows: Lot 5 in Block 2, FIRST ADDITION TO WINTHA GARDENS, Klamath County, Oregon.

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which has the address of 1728 CHINCHALLA WAY, Klamath Falls, Oregon (Street)
KLAMATH FALLS, OREGON 97601 (City) (State and Zip Code)

together with (1) all interests, easements, rights and privileges now or hereafter belonging to or used in connection with this property and with all improvements, fixtures, furnishings, flora, appliances and apparatus of any nature now or hereafter attached to, adapted on or used in connection with this property, (2) all interests Grantor may hereafter acquire, and (3) the rents and income thereof. All of the foregoing shall constitute the Trust Property.

This conveyance is to secure payment of all the following: (1) Sums due under a certain promissory note of the same date, executed by Grantor in the sum of THIRTY SIX THOUSAND EIGHT HUNDRED AND NO/100 Dollars (\$36,800.00), payable in 360 monthly payments with the final payment due on the 1st day of MARCH, 2008, which is the maturity date of this Deed of Trust, (2) all further sums which may be loaned or advanced by Beneficiary to Grantor, or any of them, and (3) any additional sums which may become payable to Beneficiary under the provisions of this Deed of Trust or other security instruments securing this loan.

Unless otherwise provided, all additional sums becoming payable to Beneficiary under this Deed of Trust shall be due immediately and shall bear interest until paid at 10% per annum or the rate provided above, whichever is higher.

Each Grantor, jointly and severally, covenants and agrees as follows:

1. **Covenant of Title.** Grantor is the owner in fee simple (or, if it has so advised Beneficiary in writing, the lessee) of the Trust Property and entitled to possession of it. Grantor has the right to convey the Trust Property and it is free from encumbrances, except those previously accepted by Beneficiary in writing. Grantor will keep the Trust Property free from all encumbrances and will warrant and defend it forever against all claims and demands.

2. **Payment.** Grantor will pay when due all secured sums described above.

3. **Representation as to Trust Property.**

a. If located in Idaho, the Trust Property either is not more than twenty acres in area or is located within an incorporated city or village.

b. If located in Washington, the Trust Property is not used principally for agricultural or farming purposes.

c. If located in Oregon, the Trust Property is not now used for agricultural, timber or grazing purposes.

4. **Preservation, Repair and Use of Trust Property.** Grantor will keep the Trust Property in good condition and repair and will not remove, alter or demolish any structure on it without the written consent of Beneficiary. Grantor will complete all structures now or hereafter under construction on the Trust Property within the time allowed by the Construction Loan Agreement or six months, whichever is greater, and will completely repair and reconstruct any structure on the Trust Property which may be damaged or destroyed. Grantor will pay when due all claims for labor performed and materials furnished. Grantor will comply with all laws, ordinances, codes, orders, declarations, by-laws, rules, regulations and restrictions affecting the Trust Property and will not commit or permit waste of the Trust Property. Grantor will not use the Trust Property for any unlawful purposes.

5. **Insurance, Taxes and Reserves.**

a. The Trust Property shall be covered by fire insurance with extended coverage, mortgage insurance and such liability insurance as Beneficiary may require, and, flood insurance is required by law, in amounts as may be required by Beneficiary. The insurance companies and policies must be satisfactory to Beneficiary with loss payable to Beneficiary.

b. Unless this covenant is prohibited by law or waived in writing by Beneficiary, Grantor will pay Beneficiary each month a sum equal to one-twelfth of the annual taxes, assessments, insurance premiums and similar charges as estimated by Beneficiary. Beneficiary will apply such sums to payments of those items when due. Sums paid by Grantor under this provision shall not earn interest and may be co-mingled with other funds of Beneficiary. If Beneficiary is required by law to pay interest on these sums, Beneficiary may, unless prohibited by law, impose a charge for holding and disbursing such funds.

c. If Beneficiary waives the preceding covenant to prepay taxes, insurance premiums, assessments or similar charges, or if Grantor does not make prepayments sufficient for Beneficiary to pay such charges, then Grantor shall pay such charges when due and upon demand provide Beneficiary satisfactory evidence of payment and coverage. This obligation is additional to, and not an alternative to, the covenant to prepay such charges to Beneficiary.

d. In case of loss by any hazard, casualty, or contingency insured against, or in case of any condemnation proceedings, Grantor shall give immediate notice thereof to Beneficiary and Beneficiary may either (1) direct Grantor to collect the proceeds or award, in which case Grantor shall do so with due diligence, or (2) collect the proceeds or award itself, in which case Grantor shall cooperate as directed by Beneficiary. In either case, the proceeds or award shall be paid to Beneficiary (and all insurers or condemning authorities are herewith authorized to make such payment), and Beneficiary is authorized at its option, after reimbursing from such proceeds or award any expenses incurred in the collection or handling of the funds, to hold all or part of the net proceeds or award for payment of costs of restoration or repair of the property damaged, destroyed or condemned, and/or to apply all or part of the net proceeds as a credit on any portion of the secured debt selected by Beneficiary, whether then matured or to mature in the future, or on any deficiency judgment. Beneficiary shall not be responsible for any failure to collect any proceeds or award, regardless of the cause of such failure. The foregoing power and authority is irrevocable and coupled with an interest, and nothing done under this paragraph shall in any way waive any default or affect the security of this Deed of Trust or any liability of Grantor. Foreclosure hereof by sale or otherwise shall not affect or impair the above granted powers and authority.

6. **Delinquent Payments.** Grantor agrees to pay any expenses, including attorney's fees, incurred by Beneficiary or Trustee in collecting delinquent payments or in curing any default under this Deed of Trust.

7. **Leasehold Provisions.** Grantor will not default on any leases on the Trust Property to which Grantor is or may become a party, or materially modify any such lease without Beneficiary's written consent. Where Grantor is Lessor, Grantor will diligently enforce its rights and exercise its best efforts to continue any such lease in effect.

8. **Protection of Beneficiary's Security, Attorney's Fees and Expenses.**

a. Should Grantor fail to make any payment or to do any act as herein provided, Beneficiary without notice to Grantor and without releasing Grantor from any obligation hereof, may make or do the same in such manner and to such extent as it may deem necessary to protect the security of this Deed of Trust. Beneficiary is authorized to enter upon the Trust Property for such purposes. The Beneficiary may pay, purchase, contest or compromise any encumbrance, charge or lien which in its judgment appears to be prior or superior to the lien of this Deed of Trust.

b. In any suit to foreclose this Deed of Trust, or in any suit or proceedings in which it may be necessary for Beneficiary to appear in order to protect Beneficiary's security interest or in the event of any measures taken in connection with a sale or intended sale pursuant to the power granted hereunder, Grantor agrees to pay to Beneficiary all costs and expenses and a reasonable sum as attorney's fees, including fees on appeal, and further agrees to pay the costs of title search incurred in the foregoing.

c. Any expenses, attorney's fees and costs incurred under section 8 shall bear interest as provided in this Deed of Trust from the date of expenditure until paid and, at Beneficiary's option, may be billed directly to Grantor, which billing shall be immediately due and payable, or may be added to the principal amount secured hereby.

9. **Assignment of Rents; Receiver; Operation.**

a. As additional security, Grantor assigns to Beneficiary all rents and income from the Trust Property and assigns to Beneficiary any leases now or hereafter in effect upon the Trust Property or any part thereof, and Grantor gives to Beneficiary the authority, upon default, to collect the rents and income from the Trust Property. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, take possession of the Trust Property or any part thereof, and any personal property securing the indebtedness, may lease or rent all or part of the Trust Property, may repair and maintain the Trust Property, may pay all operating expenses, may retain the customary charges for managing

18. Notices, Refunds. All notices and reserve account refunds shall be given und paid to Grantor unless this loan has been assumed in accordance with paragraph 11 and Beneficiary has received a properly executed assignment of reserve account(s), notwithstanding Beneficiary's receipt and acceptance of payments from a person other than Grantor.

19. Notice. Except for any notice required under applicable law to be given in another manner, any notice to Grantor provided for in this Deed of Trust shall be given by mailing such notice addressed to Grantor at the Property Address or at such other address as Grantor may designate by written notice to Beneficiary.

William K. Huff

Bettina G. Huff

Bettina G. Huff

STATE OF Oregon
County of Klamath
Personally appeared the above named WILLIAM K. HUFF and BETTINA G. HUFF, husband and wife and acknowledged the foregoing instrument to be their voluntary act and deed. Before me:

Notary Public for
My commission expires: DONNA K. RICK
NOTARY PUBLIC-OREGON
My Commission Expires 7/21/77

STATE OF OREGON; COUNTY OF KLAMATH; ss.
I hereby certify that the within instrument was received and filed for record on the 10th day of February A.D., 1978 at 11:39 o'clock A.M., and duly recorded in Vol. M78 of Mortgages on Page 2500.
FEE \$12.00

WM. D. MILNE, County Clerk
By Kenneth A. Helseth Deputy

Notary Public for
My commission expires:

REQUEST FOR RECONVEYANCE
TO: The undersigned is the owner and holder of all indebtedness secured by this Deed of Trust, which is, together with the secured note, delivered to you. Please reconvey, without warranty, to the Grantor the estate of real property described in this Deed of Trust.
EQUITABLE SAVINGS & LOAN ASSOCIATION, Beneficiary