

4A 195
WHEN RECORDED MAIL TO
EQUITABLE SAVINGS AND LOAN ASSOCIATION
Address 212 South Sixth Street
City Klamath Falls
State Oregon 97601

54002

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SECOND DEED OF TRUST

THIS DEED OF TRUST, made this 9th day of AUGUST, 19 78, between LOIS C. FENGLER (GRANTOR) and TRANSAMERICA TITLE CO. (TRUSTEE) and EQUITABLE SAVINGS AND LOAN ASSOCIATION, an Oregon corporation (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: Tract 35, La. St. Park, Klamath County, Oregon.

which has the address of 3832 Summers Lane, Klamath Falls, Oregon 97601
(Street) (City) (State) (Zip Code) (Property Address)

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 to, located 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 Deed of Trust is secondary and subject to a prior mortgage deed of trust on the above-described real property made by LOIS C. FENGLER Mortgagor/Grantor to TRANSAMERICA TITLE CO. (TRUSTEE) with EQUITABLE SAVINGS & LOAN as Mortgage Beneficiary and dated APRIL 25, 19 73, recorded in book M-73, page 4983, or as Life No. , Reel No. , Mortgage Record of the County in which the property is located. The First Mortgage Deed of Trust and the obligation secured thereby are referred to hereafter as the First Mortgage. The First Mortgage secures a note for the principal sum of \$ 14,800.00 with the unpaid principal balance on the date of the execution of this Second Deed of Trust is \$ 13,525.90 and the interest thereon is paid to AUGUST 20, 19 78.

This conveyance is to secure payment of all of the following: (1) Sums due under a certain promissory note of the same date, executed by Grantor in the sum of FOUR THOUSAND TWO HUNDRED Dollars (\$ 4,200.00), payable in 120 monthly payments with the final payment due on the 23 day of AUGUST, 19 88, 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 the First Mortgage and those encumbrances previously accepted by Beneficiary in writing. Grantor will keep the Trust Property free from additional encumbrances and will warrant and forever defend it against all claims and demands.

2. **Payment.** Grantor will pay when due all secured sums described above and all obligations secured by the First Mortgage.

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 pay when due all claims for labor performed and materials furnished. Grantor will comply with all laws, ordinances, codes, orders, declarations, bylaws, rules, regulations and restrictions affecting the Trust Property and will not commit or permit waste thereof. Grantor will not use the Trust Property for any unlawful purpose.

5. **Taxes.**

(a) Grantor will pay when due all taxes, assessments and similar charges levied against the Trust Property.

(b) In case of loss by any hazard, casualty, or contingency insured against, or in the 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 subject to the rights of the holder of the First Mortgage, (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 DLD-4 (11/76)

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 attorneys' fees, incurred by Beneficiary or its agent in collecting delinquent payments or in curing any default under this Deed of Trust.

7. **Protection of Beneficiary's Security, Attorneys' Fees and Expenses.**

(a) Should Grantor fail to make any payment or to do any act herein provided or as required by the First Mortgage or the note which it secures, Beneficiary without notice to Grantor and without discharging Grantor from any obligation hereof, may make, sell, or lease 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 engage attorneys to prosecute its claims and expenses. The Beneficiary may pay any basis, amount, or sum of money, including attorney's charges, or fees which are paid or incurred by it in connection with the enforcement of this Deed of Trust.

(b) In any suit to enforce this Deed of Trust or to protect its security, in which it may be necessary to bring in as parties persons other than Grantor, Beneficiary's security interest in the property shall not be impaired by any action with a sale or intended sale of the property, and Grantor shall be liable to Beneficiary for the payment of all costs and expenses, including attorneys' fees, incurred by Beneficiary in connection with the enforcement of this Deed of Trust.

(c) Any expenses, attorneys' fees, or costs incurred by Beneficiary shall bear interest as provided in this Deed of Trust until paid, and, at Beneficiary's option, may be added to the principal amount secured hereby, which billing shall be immediately due and payable by Grantor.

8. **Transfer of Property; Assumption; Conditions.** This Deed of Trust is not assignable. In making any assignment of the property or interest in the property, Grantor's interest in the Trust Property shall be subject to the conditions at the time this Deed is made. If Grantor, by any assignment, conveys title to or possession of all or part of the Trust Property to another person, by sale, lease or similar assignment, Beneficiary may, at its option, require Grantor to pay this loan immediately due and payable.

9. **Default, Acceleration, Remedies.**

(a) Time is material and of the essence hereof. If Grantor does not pay the indebtedness secured hereby or the indebtedness secured by the First Mortgage as provided or if Grantor does not comply with the terms and conditions of this Deed of Trust and the First Mortgage, or if a proceeding in bankruptcy, receivership, or insolvency law be instituted by or against any of the Grantors, or if any of the Grantors make an assignment for the benefit of creditors, or if state laws are changed hereafter to impose upon Beneficiary a substantial tax upon Beneficiary by reason of its enforcement of this Deed of Trust unless Grantor may lawfully pay such tax and the cost thereof, this Deed of Trust shall be in default. Any default under this Deed of Trust

constitute a default under the note which it secures and under all other security instruments securing the note. Any default under such other security instruments shall constitute a default under this Deed of Trust. Any default under this Deed of Trust shall constitute a default of the First Mortgage, if held by the Beneficiary, the note thereby secured and all other security agreements securing said note and the Beneficiary may foreclose the First Mortgage and this Deed of Trust at the same time and in the same procedure, and if a judicial foreclosure is used, in the same lawsuit. In the event of default, Beneficiary may declare all sums secured hereby immediately due and payable, and this Deed of Trust may be foreclosed and the Trust Property sold in any manner allowed by law, including without limitation, by advertisement and sale under exercise of power of sale, or as a mortgage on real property. Proceeds of a sale pursuant to exercise of the power of sale shall be applied to (1) the expenses of sale, including Trustee's and attorneys' fees, and (2) obligations secured hereby. The surplus, if any, shall be paid to persons entitled thereto by law.

(b) In the event this Deed of Trust is foreclosed as a mortgage on real property, Grantor, and each of them, consents to a personal deficiency judgment for any part of the debt hereby secured which shall not be paid by the sale of the Trust Property, unless such judgment is prohibited by law, and in

the case of foreclosure, expressly waives (1) any claim of homestead and (2) all rights to possession of the premises during the period allowed by law for redemption.

(c) Beneficiary is not obligated to take any action which this Deed of Trust provides it "may" take. Any power given Beneficiary by this Deed of Trust may also be exercised by such agents as Beneficiary may designate in writing to the Trustee.

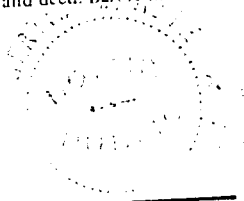
10. **Substitute Trustee.** In the event of dissolution or resignation of the Trustee, Beneficiary may substitute a trustee(s) to succeed to the trust created, and the new trustee(s) shall succeed to all powers and duties of the trustee(s).

11. **Successors and Assigns.** This Deed of Trust applies to heirs and assigns of all parties hereto, their heirs, legatees, devisees, administrators, executors, successors, assigns, and pledgees. In this Deed of Trust, whenever the context so requires, the singular includes the plural.

12. **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.

STATE OF Oregon } ss.
County of Klamath

Personally appeared the above named Lois J. Pengraph and acknowledged the foregoing instrument to be her voluntary act and deed. Before me:



INDIVIDUAL

August 9

1973

Notary Public for Oregon
My commission expires March 1, 1974

CORPORATE

STATE OF _____ } ss.

County of _____

Personally appeared _____ and _____ and that the latter is the _____ a corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its board of directors, and each of them, and was duly and lawfully executed to be its voluntary act and deed. Before me:

Notary Public for _____
My commission expires _____

SECOND DEED OF TRUST

Grantor

Beneficiary

ss.

STATE OF OREGON

County of KLAMATH
I certify that the within instrument was received for record on the 24 day of August, 1973

at 10:36 A.M. and recorded in Book 1517 on page 1 or as file number 54 Record of Mortgages

of said County. Witness my hand and seal of County

affixed

File

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REQUEST FOR RECONVEYANCE

TO: _____, Trustee.

The undersigned is the owner and holder of all indebtedness secured by this Deed of Trust, which is, together with the proceeds of the sale of the property, to be conveyed, without warranty, to the Grantor the estate of real property described in this Deed of Trust.

EQUITABLE SAVINGS AND LOAN ASSOCIATION, Beneficiary

By _____