

WHEN RECORDED MAIL TO
First National Bank of Oregon
Real Estate Loan Dept
P. O. Box 193
Klamath Falls, Ore.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

55839

DEED OF TRUST

THIS DEED OF TRUST is made this 25 day of SEPTEMBER 1978 among the Grantor, JERRY K. LOEFFLER AND JOAN LOEFFLER (herein "Borrower"), HUSBAND AND WIFE, TRANSAMERICA TITLE INSURANCE CO. (herein "Trustee"), and the Beneficiary, FIRST NATIONAL BANK OF OREGON, a corporation organized and existing under the laws of the UNITED STATES OF AMERICA, whose address is K100 SW 5TH PORTLAND, OREGON (herein "Lender").

Borrower, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust with power of sale, the following described property located in the County of Klamath, State of Oregon:

LOT 8, BLOCK 4, TRACT NO. 1091 LYNNWOOD, IN THE COUNTY OF KLAMATH, STATE OF OREGON.

which has the address of 1871 ARROWHEAD ROAD KLAMATH FALLS (City)
GASBON 934-38 (herein "Property Address")

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (sub-tenants), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to as the "Property";

To Secure to Lender (a) the repayment of the indebtedness evidenced by Borrower's note dated SEPTEMBER 25, 1978 (herein "Note"), in the principal sum of SIXTY-ONE THOUSAND AND NO/100 Dollars, with interest thereon, providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on OCTOBER 21, 1978; the payment of all other sums, with interest thereon, advanced in accordance herewith; (b) the security of this Deed of Trust; and the performance of the covenants and agreements of Borrower herein contained; and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances").

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property; that the Property is unencumbered, and that Borrower will warrant and defend generally against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions; and (b) coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS, CONDITIONS AND LENDER AGREEMENT AND AGREES AS FOLLOWS:

1. **Payments of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, repayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Deed of Trust.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum therein "Funds" equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in a separate depository or accounts of which are insured or guaranteed by a Federal or state agency (including Lender) and Lender is such an institution. Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said statements and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender as soon as necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 1 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than ninety days prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application of such applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and

3. **Application of Payments.** If not otherwise provided, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and

4. **Charges, Liens, Easements.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain priority over this Deed of Trust, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the proper authority. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment therefor, Borrower shall promptly furnish to Lender receipts evidencing such payments.

Borrower shall promptly discharge any lien or charge which has priority over this Deed of Trust, provided that Borrower shall not be held liable as Borrower shall agree in writing to the payment of the obligation secured by such lien or charge, or shall not defend or attempt the enforcement of the lien or foreclosure of the Property or any part thereof, or shall keep the same current, now existing or hereafter erected on the Property insured within the term hereof covered coverage, and such other hazards as Lender may require and as Lender may require, provided that Lender shall not require that the amount of coverage required to pay the sums secured by this Deed of Trust.

5. **Insurance.** Borrower shall keep the Property insured against fire, lightning and such other perils as Lender may require, provided that Lender shall not require that the amount of coverage exceed that amount of the insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be required under paragraph 2 hereof, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and contracts thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would be impaired, the insurance proceeds shall be applied to the sums secured by this Deed of Trust, with the excess, if any, paid to Borrower. If the Property is damaged by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 1 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies or acquisitions shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium, Borrower shall perform all of Borrower's obligations under the declaration of the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and covenants, conditions, and restrictions documents. If a condominium or planned unit development rider is executed by Borrower, it shall be interpreted and applied in conjunction with this Deed of Trust, the covenants and agreements of such rider shall be interpreted and applied as if they were a part hereof.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action including, but not limited to, bankruptcy or decedent, then Lender may, at its option, upon notice to Borrower, make such appearances, disburse such sums and take such action as may be necessary to protect Lender's interest, including, but not limited to, disbursement of sums upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in accordance with Borrower's and applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to the paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon demand from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate applicable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permitted by the law applicable in the place where the Property is located.

8. **Inspections.** Lender may, at any time, cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Assignment.** Borrower shall not assign, convey, or otherwise dispose of the Property, or any part thereof, or any interest therein, without the prior written consent of Lender, which consent shall not be unreasonably withheld.

10. **Successors.** The covenants, conditions, and restrictions contained in this Deed of Trust shall bind the Borrower, its heirs, assigns, personal representatives, and all persons claiming under the Property.

11. **Entire Agreement.** This Deed of Trust, together with the Note, shall constitute the entire agreement between the parties hereto, and shall supersede all other agreements, understandings, and negotiations between the parties hereto.

12. **Severability.** If any provision of this Deed of Trust is held to be unenforceable, the remaining provisions shall remain in full force and effect.

13. **Construction.** In the event of any conflict between the provisions of this Deed of Trust and the provisions of any applicable law, the provisions of this Deed of Trust shall prevail.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, shall be applied to the sums secured by this Deed of Trust, unless Borrower and Lender agree in writing, there shall be no in excess of their proportionate taking based on their fair market value prior to Borrower.

10. If the Property is abandoned or an award or claim for damages is established, Lender is authorized to take any action to protect the sums secured by this Deed of Trust.

11. Borrower Not Released. The liability of the original Borrower or successors against such sums secured by this Deed of Trust shall not be released by Lender.

12. Payment by Lender. The payment of insurance or other benefits shall not constitute a discharge of the debt under this Deed of Trust.

13. Successors and Assigns. The obligations and liabilities of the Borrower shall bind and be binding on the successors and assigns of the Borrower.

14. Notices. Except for notices provided for in this Deed of Trust, all notices to the Borrower shall be given to the address set forth in this Deed of Trust.

15. Uniform Deed of Trust. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located.

16. Borrower's Copy. Lender shall provide a copy of this Deed of Trust to the Borrower.

17. Transfer of the Property. If the Property is sold or transferred, the sums secured by this Deed of Trust shall remain due and payable.

18. Acceleration. If the Borrower breaches any covenant or warranty, Lender may accelerate the sums secured by this Deed of Trust.

19. Borrower's Right. Borrower shall have the right to prepay the sums secured by this Deed of Trust.

20. Trustee's Duties. The Trustee shall execute a written notice of sale of the Property.

21. Lender's Election. Lender shall have the right to elect to sell the Property.

22. Public Sale. The Property shall be sold at public sale to the highest bidder.

23. Trustee's Deed. The Trustee's deed shall be prima facie evidence of the truth of the statements made therein.

24. Borrower's Right. Borrower shall have the right to enforce this Deed of Trust.

25. Expenses. Borrower shall pay all reasonable expenses incurred by Lender and Trustee.

26. Remedies. Lender may enforce its remedies as provided in this Deed of Trust.

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Remedies. Lender may enforce its remedies as provided in this Deed of Trust.

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secured by this Deed of Trust shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rights: Lender, in person, by agent or by its authorized representative, shall have the right to collect and retain such rents as they become due and payable.

21. Future Advances: Lender, at Lender's option prior to full reconveyance of the Property, shall make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be evidenced by promissory notes secured by this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust shall be payable to the person or persons legally entitled thereto.

22. Reconveyance: Upon payment in full of all notes secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property with or without warranty and without charge to the person or persons legally entitled thereto.

23. Subsequent Trustee: In the event of the death, disability or resignation of the Trustee named herein, the successor trustee shall be named hereunder. Without conveyance of the Property, the successor trustee shall have the same powers, authority and duties as the Trustee named herein and by applicable law.

24. Use of Property: The Property is not currently used for agricultural, timber or grazing purposes.

25. Attorney's Fees: In the event of litigation, "attorney's fees" shall include attorney's fees, if any, which shall be awarded by a court.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

Jerry K. Loeffler
 JERRY K. LOEFFLER —Borrower

Joan Loeffler
 JOAN LOEFFLER —Borrower

STATE OF OREGON, KLAMATH County is:

On this 25 day of September 19 78, personally appeared the above named JERRY K. LOEFFLER and JOAN LOEFFLER and acknowledged the foregoing instrument to be THEIR voluntary act and deed.

My Commission expires:

Before me:
Lu. P. Nelson
 Notary Public for Oregon

REQUEST FOR RECONVEYANCE

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Date:

Space Below This Line Reserved For Lender and Recorder

STATE OF OREGON; COUNTY OF KLAMATH; ss.
 Filed for record at request of Transamerica Title Co.
 on 29th day of September A. D. 19 78 at 10:56 o'clock A. M., or
 fully recorded in Vol. 3073 of Mortgages on Page 21715
 W. D. MILNE, County Clerk
W. D. Milne
 Fee \$12.00