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DEED OF TRUST  
(Oregon-Short Form)Vol. M86 Page 23072

Klamath Falls

Oregon

Date: December 15, 1986Grantor(s): Richard W. PexAddress: 3317 Derby St.Borrower(s): Richard W. Pex Evelyn G. PexAddress: Klamath Falls, OR 97603Beneficiary/("Lender"): U.S. Bank Town & Country Br.Address: 3317 Derby St.  
Klamath Falls, OR 97603Trustee: Bank of CorvallisAddress: 3720 S. Sixth St.  
Klamath Falls, OR 97603Address: P.O. Box 3347 PL-5 R.E.P.M.  
Portland, OR 97208

1. GRANT OF DEED OF TRUST. By signing below as Grantor, I irrevocably grant, bargain, sell and convey to Trustee, in trust, with power of sale, the following property located in Klamath County, State of Oregon:

## SEE EXHIBIT A FOR A LEGAL DESCRIPTION

and all buildings and other improvements and fixtures now or later located on it. I also hereby assign to Lender any existing and future leases and rents from the property as additional security for the debt described below. I agree that I will be legally bound by all the terms stated in this Deed of Trust. The above described real property is not currently used for agricultural, timber or grazing purposes.

2. DEBT SECURED. This Deed of Trust and assignment of rents secures the following:

☐ a. The payment of the principal, interest, credit report fees, late charges, collection costs, attorneys' fees (including any on appeals), and other amounts owing under a note ("Note") with an original principal amount of \$ \_\_\_\_\_, dated \_\_\_\_\_, 19 \_\_\_\_\_, signed by \_\_\_\_\_, (Borrower) and payable to Lender, on which the last payment is due \_\_\_\_\_, 19 \_\_\_\_\_.

and under any extensions and renewals of any length.

☒ b. The payment of all amounts that are payable to Lender at any time under a U.S. Creditline-Equity Revolving Credit Agreement ("Credit Agreement") dated December 15, 1986, and signed by Richard W. & Evelyn G. Pex ("Borrower"). The Credit Agreement is for a revolving line of credit under which Borrower may obtain one or more loans from Lender on one or more occasions, the total outstanding balances of which may not at any time exceed \$ 25,000.00. The total outstanding balance owing under the Credit Agreement, if not sooner paid, is due and payable on 12/15/96. This Deed of Trust secures the performance of the Credit Agreement, the payment of all loans payable to Lender at any time under the Credit Agreement, the payment of all interest, credit report fees, late charges, membership fees, attorneys' fees (including any on appeal), collection costs and all other amounts that are payable to Lender at any time under the Credit Agreement, and any extensions and renewals of any length.

☒ c. This Deed of Trust also secures the payment of all other sums with interest thereon, advanced under this Deed of Trust to protect the security of this Deed of Trust; and the performance of any covenants and agreements under this Deed of Trust. This Deed of Trust also secures the repayment of any future advances, with interest thereon, made to Borrower under this Deed of Trust.

The interest rate, payment terms and balance due under the Note and under the Credit Agreement may be indexed, adjusted, renewed or renegotiated in accordance with the terms of the Note, the Credit Agreement and on account of any extensions and renewals of the Note and Credit Agreement.

## 3. INSURANCE, LIENS, AND UPKEEP.

- 3.1 I will keep the property insured by companies acceptable to you with fire and theft insurance, flood insurance if the property is located in any area which is, or hereafter will be designated a special flood hazard area, and extended coverage insurance

The policy amount will be enough to pay the entire amount owing on the debt secured by this Deed of Trust or the insurable value of the property, whichever is less, despite any "co-insurance" or similar provision in the policy. The insurance policies will have your standard loss payable endorsement. No one but you has a mortgage or lien on the property, except the following "Permitted Lien(s)":

none

- 3.2 I will pay taxes and any debts that might become a lien on the property, and will keep it free of trust deeds, mortgages and liens, other than yours and the Permitted Liens just described.

- 3.3 I will also keep the property in good condition and repair and will prevent the removal of any of the improvements.

- 3.4 If any of these things agreed to in this Section 3 are not done, you may do them and add the cost to the Note or Credit Agreement. I will pay the cost of your doing these whenever you ask, with interest at the fixed or floating rate charged under the Note or the Credit Agreement, whichever is higher. Even if you do these things, my failure to do them will be a default under Section 6, and you may still use other rights you have for the default.

4. DUE-ON-SALE. I agree that you may, at your option, declare due and payable all sums secured by this Deed of Trust if all or any part of the property, or an interest in the property, is sold or transferred. If you exercise the option to accelerate I know that you may use any default remedies permitted under this Deed of Trust and applicable law. I know that you may exercise your rights under this due-on-sale provision each time all or any part of the property, or an interest in the property, is sold or transferred, whether or not you exercised your rights on any previous sales or transfers.

5. PROTECTING YOUR INTEREST. I will do anything that may now or later be necessary to perfect and preserve this Deed of Trust, and I will pay all recording fees and other fees and costs involved.

6. DEFAULT. It will be a default:

- 6.1 If you don't receive any payment on the debt secured by this Deed of Trust when it is due;

- 6.2 If I fail to keep any agreement I have made in this Deed of Trust, or there is a default under any security agreement, trust deed, mortgage, or other security documents that secures any part of the debt secured by this Deed of Trust.

- 6.3 If any Co-Borrower, Grantor or I become insolvent or bankrupt;

- 6.4 If I have given you a false financial statement, or if I haven't told you the truth about my financial situation, about the security, or about my use of the money;

- 6.5 If any creditor tries, by legal process, to take money from any bank account, any Co-Borrower, Grantor or I may have, or tries, by legal process, to take any other money or property I may then have coming from you;

- 6.6 If any person tries or threatens to foreclose or declare a forfeiture on the property under any land sale contract; or to foreclose any Permitted Lien or other lien on the property;

- 6.7 If there is any default under any lease or sublease of the property to which I am a party or through which I derive any interest in the property.

7. YOUR RIGHTS AFTER DEFAULT. After a default you will have the following rights and may use any one, or any combination of them, at any time.

- 7.1 You may declare the entire secured debt immediately due and payable all at once without notice.

- 7.2 Subject to any limitations imposed by applicable law, either before or after a sale of the property under a judicial foreclosure, or before a sale of the property by advertisement and sale by the Trustee, you may sue for and recover from Borrower all amounts remaining under the Credit Agreement, under the Note, and under this Deed of Trust.

- 7.3 You may foreclose this Deed of Trust under applicable law either

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- judicially by suit in equity or nonjudicially by advertisement and sale.
- 7.4 You may have any rents from the property collected and pay the amount received, over and above costs of collection and other lawful expenses, on the debt secured by this Deed of Trust.
- 7.5 I will be liable for all reasonable collection costs you incur, to the full extent allowed by law. If you foreclose this Deed of Trust either judicially by suit in equity or nonjudicially by advertisement and sale, I will also be liable for your reasonable attorneys' fees including any on appeal.
- 7.6 You may use any other rights you have under the law, this Deed of Trust, or other agreements.

8. SATISFACTION OF DEED OF TRUST. When the secured debt is completely paid off and the credit agreement is cancelled and terminated as to any future loans, I understand that the Lender will request Trustee to reconvey, without warranty, the property to the person legally entitled thereto. I will pay the Trustee a reasonable fee for preparation and execution of the reconveyance instrument and I will record the reconveyance at my expense.

9. CHANGE OF ADDRESS. I will give you my new address in writing whenever I move. You may give me any notices by regular mail at the last address I have given you.
10. OREGON LAW APPLIES. This Deed of Trust will be governed by Oregon law.
11. NAMES OF PARTIES. In this Deed of Trust "I" means Grantor(s), and "you" means Beneficiary/Lender.

I agree to all the terms of this Deed of Trust.

Grantor

Grantor

Grantor

### INDIVIDUAL ACKNOWLEDGEMENT

STATE OF OREGON

County of Klamath

) ss.

December 15, 19 86

Personally appeared the above named Richard W. Pex and acknowledged the foregoing Deed of Trust to be his voluntary act.

Before me:

Mark X. Hernandez  
Notary Public for Oregon

My commission expires: 5/13/86

### REQUEST FOR RECONVEYANCE

TO TRUSTEE:

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

Date:

Signature:

### DEED OF TRUST

Richard W. Pex

Evelyn G. Pex

U.S. Bank Town & Country

Bank of Corvallis

Grantor/Borrower

Beneficiary

Trustee

### THIS SPACE FOR RECORDER USE

After recording, return to:

U.S. BANK  
TOWN & COUNTRY  
P.O. BOX 7369  
KLAMATH FALLS, OR 97602

December 15, 1986

## EXHIBIT A

All the following described real property situate in Klamath County, Oregon:

The South half of the following described property: A tract of land situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10 Township 39 South, Range 9 E.W.M., more particularly described as follows: Beginning at an iron pin which lies North 89°40' East along the forty line a distance of 780.0 feet and North 1°02' West a distance of 298.4 feet from the iron pin which marks the intersection of 4th Avenue and 4th Street of Altamont Acres, which point of intersection is also the Southwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 10, and running thence North 89°40' East a distance of 224.4 feet to an iron pin which lies on the Westerly right of way line of the U.S.R.S. Drain Ditch; thence North 4°22' West along the said Westerly right of way line of said drain a distance of 128.8 feet to an iron pin; thence South 89°40' West a distance of 216.7 feet to an iron pin; thence South 1°02' East a distance of 128.4 feet, more or less, to the point of beginning.

ALSO, A tract of land situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10 Township 39 South, Range 9 East, Willamette Meridian, more particularly described as follows: Beginning at an iron pin which lies North 89°40' East along the forty line a distance of 780 feet and North 1°02' West a distance of 170.0 feet from the iron pin which marks the intersection of 4th Avenue and 4th Street of Altamont Acres, which point of intersection is also the Southwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 10, and running thence North 89°40' East a distance of 187.2 feet to an iron pin which lies on the Westerly right of way line of the U.S.R.S. Drain ditch; thence North 26°17' East along the said Westerly right of way line of said drain ditch a distance of 87.0 feet to an iron pin; thence North 4°22' West along the said Westerly right of way line of said drain a distance of 50.6 feet to an iron pin; thence South 89°40' West a distance of 224.4 feet to an iron pin; thence South 1°02' East a distance of 128.4 feet, more or less, to the point of beginning.

ALSO, a tract of land situated in the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of Section 10 Township 39 South, Range 9 E.W.M., more particularly described as follows: Beginning at an iron pin which lies North 89°40' East along the forty line a distance of 780.0 feet from the iron pin which marks the intersection of 4th Avenue and 4th Street of Altamont Acres, which point of intersection is also the Southwest corner of the NE $\frac{1}{4}$ NE $\frac{1}{4}$  of said Section 10 and running thence: Continuing North 89°40' East a distance of 99.6 feet to an iron pin which lies on the Westerly right of way line of the U.S.R.S. Drain ditch; thence North 26°17' East along the Westerly right of way line of said drain a distance of 190.5 feet to an iron pin; thence South 89°40' West a distance of 187.2 feet to an iron pin; thence South 1°02' East a distance of 170 feet, more or less, to the point of beginning, said tract containing 0.55 acre, more or less.

*Richard W. Pex*  
Richard W. Pex

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_  
of December A.D. 19 86 at 8:39 o'clock A M., and duly recorded in Vol. M86  
of Mortgages on Page 23072

FEE \$13.00

Evelyn Biehn, County Clerk  
By Sam Smith