

Attn: Recording Clerk or  
Clarendon First National  
P. O. Box 5200  
Clarendon Falls, Oregon 97621

74664

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## DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made this 15<sup>th</sup> day of July, 1968, by and between L. E. Neal, husband and wife,  
WILLIAM F. NEAL AND MARY E. NEAL, husband and wife,  
~~and~~ ~~of the first part,~~ and  
CRAIG FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing  
under the laws of the United States of America and whose address  
is 1615 S.W. 102 St., Clarendon Falls, Oregon.  
Borrower is under the principal sum of Sixty One Thousand Five Hundred and Ten Dollars (\$61,500.00). This debt is evidenced by Borrower's note  
dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full sum of the  
principal due and payable on July 14, 1971. The security instrument  
seeks to insure the repayment of the sum evidenced by the Note, with interest, and all amounts advanced under paragraph 11, plus the security of the  
Security Instrument, and to the performance of Borrower's covenants and agreements under the Security Instrument and  
the Note. For the purpose, Borrower irrevocably grants his interest in Lender's in trust, with power of sale, the following  
described property located in Clarendon Falls, Yamhill County, Oregon.

10. The repayment of any future advances, with interest thereon, made to Borrower  
by Lender pursuant to the paragraph below ("Future Advances").  
FUTURE ADVANCES. Upon request of Borrower, Lender, or Lender's option prior to  
full recoupey of the Property by Lender to Borrower, any other future advances  
to Borrower, such Future Advances, with interest thereon, shall be secured by  
this Deed of Trust when evidenced by promissory notes stating that said notes are  
secured hereby.

A tract of land situated in the NW 1/4 of Section 31, Township 15 South,  
Range 9 East of the Clarendon Meridian, more particularly described as  
follows:

Beginning at an iron post on the West boundary of Homedale Road, said post  
being West a distance of 310.0 feet and South a distance of 140.0 feet from  
the Northwest corner of NW 1/4 of said Section 31; thence South along the  
West boundary of Homedale Road a distance of 120.0 feet to an iron post  
thence West a distance of 515.8 feet to an iron post on the Southerly right  
of way line of Lateral 3-3 (or Lateral A-3-B); thence westerly, along  
said laterally right of way line to an iron post located West a distance of  
471.6 feet from the above described beginning point; thence East a distance  
of 471.6 feet, once or less to the point of beginning.

which has been confirmed by ED 304594 Clarendon Falls  
Oregon FEDS CL  
(Property Attorney)

STATEMENT: That all the improvements now or hereafter erected on the property, and all covenants, rights,  
agreements, rents, credits, mineral, oil and gas rights and profits, water rights and which and all fixtures now or  
hereafter a part of the property. All improvements and additions shall be covered by this Security Instrument. All of the  
foregoing is referred to in the Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate herein conveyed and has the right to grant  
and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower covenants  
not will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THE SECURITY INSTRUMENT contains certain covenants for general use and supplemental covenants with  
certain conditions by jurisdiction to constitute a uniform security instrument covering the property.

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### DEFINITION OF SECURITY INSTRUMENT AND LEADER'S PAYMENT DUE DATE

**1. Payment of Principal and Interest, Premiums and Late Charge.** Borrower shall promptly pay when due the principal of indebtedness or the interest accrued by the Note and any premium and fee charged under the Note.

**2. Funds for Expenses of Borrower.** Subject to applicable law or the terms set forth in Lender's Notice, if Lender or the City receive payments under the Note, and the Note is paid in full, a sum ("Funds") equal to one-half of the yearly taxes and assessments which may accrue prior to the Security Instrument, the yearly insurance premiums or ground rents on the Property, of any 10% yearly interest thereon, premiums and all yearly insurance premiums, if any. These sums are called "excess sums." Lender may estimate the funds due on the basis of current rates and reasonable estimates of future rates and costs.

The Funds shall be held in an institution the deposit or amounts of which are insured or guaranteed by a federal or state agency including Lender or Lender's such as successor. Lender shall apply the Funds to pay the excess sums. Lender may charge for holding and applying the Funds, retaining the amount or applying the excess sums unless Lender pays Borrower interest on the Funds and applicable law permits Lender to hold such a charge. Borrower and Lender may agree to retain the interest shall be paid on the Funds. Under an agreement so made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or expense 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 reason for which each debit to the Funds was made. The Funds are pledged as additional security for the sums advanced by the Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds, payable prior to the due date of the excess sums, shall exceed the amount required to pay the excess sums when due, the excess shall be disbursed upon, after promptly receipt by Borrower or credited to Borrower as unpaid payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the excess sums when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in the excess payments as required by Lender.

If such payment is full of all sums secured by the Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If note paragraphs 1 or the Property is sold or acquired by Lender, Lender shall apply evidence of title documents prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application or credit against the sums secured by the Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first, in late charge due under the Note, second, in payment of charges due under the Note third, in amounts payable under paragraph 2, fourth, to interest due and last, to principal due.

**4. Charge Lien.** Borrower shall pay all taxes assessments, charges, fees and expenses attributable to the Property which may accrue prior to the Security Instrument, and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 1 or if not paid in due manner, Borrower shall pay them as time directly to the person sued payment. Borrower shall promptly furnish to Lender all notices of summons, as he year under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over the Security Instrument unless Borrower is agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender. On condition is given that the lien be, or delayed against enforcement of the lien in, legal proceedings which at the Lender's option, operates to prevent the enforcement of the lien or forfeiture of any part of the Property, or all actions from the holder of the lien as agreements subservient to Lender, subordinating the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may accrue prior to the Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within fifteen days of the giving of notice.

**5. Shared Insurance.** Borrower shall keep the improvements save existing or hereafter created on the Property insured against loss by fire, theft, accident within the term "extended coverage" and any other hazard for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be assignable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all notices of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make payment 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, if the restoration or repair is commercially feasible and Lender's security is not lowered. If the restoration or repair is not commercially feasible or Lender's security would be lowered, the insurance proceeds shall be applied in the same manner by the Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or dies or moves within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by the Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds as principal shall not exceed or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 1 if the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by the Security Instrument immediately prior to the acquisition.

**6. Preservation and Maintenance of Property; Liens.** Borrower shall not damage, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If the Security Instrument is on a "conditional" basis, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the standard and general real property Lender agrees to the merger in writing.

**7. Protection of Lender's Rights in the Property; Mortgage Reserve.** If Borrower fails to perform the covenants and agreements contained in the Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property such as a proceeding in bankruptcy, probate, for confirmation or to enforce laws or regulations, then Lender may demand and pay the insurance's estimated to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums accrued by a sum which has priority over this Security Instrument, applying in court, paying reasonably attorney fees and interest on the Property, or take action, although Lender may have action under the paragraph 2, Lender does not have such.

Any amounts deferred by Lender under the paragraph 7 shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of defacement of the Note and shall be payable with accrued legal costs from Lender to Borrower upon demand payment.

**11. Lender's Organized Mortgage Company.** As a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirements for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**12. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**13. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, or otherwise with any condemnation or other taking of any part of the Property, or for convenience or lot of condemnation, are hereby accepted and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the same amount as the Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sum required by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction, and the total amount of the sum required immediately before the taking divided by the the fair market value of the Property immediately before the taking, less taxes due and paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condominium fees are more than one month in arrears, Borrower fails to respond to Lender within fifteen days after the date the notices given, Lender is authorized to collect and apply the amounts of delinquent, either in restoration or repair of the Property or to the sums required by this Security Instrument, whether or not then due.

Subject Lender and Borrower after due notice, writing, any application of proceeds, or processes which are received or presented the due date of the summing payments referred to in paragraphs 1 and 2, or change the amount of such payments.

**14. Discharge Not Required; Performance By Lender Not a Waiver.** Extension of the time for payment or modification of termination of the sums required by this Security Instrument granted by Lender to any Borrower or interest of Borrower shall not operate to reduce the liability of the original Borrower or Borrower's co-borrowers or interest Lender shall not be required to commence proceedings against any Borrower in respect of action to extend time for payment or otherwise modify requirements of the sums required by this Security Instrument by reason of any Borrower shall be the original Borrower or Borrower's co-borrower or interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

**15. Successors and Assigns; Right, Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and affect the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who signs this Security Instrument but does not execute the Note for co-signing this Security Instrument with a mortgage, trust and/or deed that Borrower's interest in the Property under the terms of this Security Instrument, in a non personally, assigned to the sums required by this Security Instrument, and the signs that Lender and any other Borrower may agree to extend, modify, forgive or make any accommodations with regard to the terms of this Security Instrument or the Note without Borrower's consent.

**16. Late Charges.** If the loan secured by this Security Instrument is subject to a law which permits late charges, and that law is finally interpreted so that the current or other late charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such late charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded permitted limit will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

**17. Liquidation After Lender's Notice.** If enforcement or expiration of applicable laws has the effect of rendering any provision of the Note or the Security Instrument inoperative according to its terms, Lender is to ignore, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any provision contained in paragraph 18. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

**18. Notice.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it in writing or by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's business office or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in the paragraph.

**19. Governing Law; Scrutability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflict with applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given force without the conflicting provision. To the end the provisions of this Security Instrument and the Note are construed to be severable.

**20. Borrower's Cognos.** Borrower shall be given one copy/most copies of the Note and of the Security Instrument.

**21. Transfer of the Property or a Deed-in-Lieu in Borrower.** If all or any part of the Property or any interest or interest in transferred for a beneficial interest in Borrower is sold or transferred and Borrower makes a general release to Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law or the law of the State of the Security Instrument.

**22. Lender's Waiver of Payment.** Lender shall give Borrower notice of acceleration. The notice shall provide a period of ten days. It is agreed that after the notice is delivered or mailed within which Borrower must pay all sums secured by the Security Instrument, if Borrower fails to pay those sums prior to the expiration of this period, Lender may invoke any provision of this Security Instrument without further notice or demand of Borrower.

**23. Borrower's Right to Remedy.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the notice of sale if Lender fails after giving an appropriate late notice for non-payment before sale of the Property pursuant to any power of sale contained in this Security Instrument, or the entry of a judgment enforcing the Security Instrument. These conditions are that Borrower (a) pays Lender all sums which there might be due under this Security Instrument and the Note and all amounts accrued, (b) pays any default of any other covenants or agreements, (c) pays all expenses related or resulting from this Security Instrument, including but not limited to attorney's attorney's fees, and (d) takes such action as Lender may reasonably require to assist that the law of this Security Instrument, Lender's rights in the Property and instruments obligating to pay the sums secured by the Security Instrument shall continue unchanged. Upon non-compliance by Borrower, the Security Instruments and the obligations created thereby shall remain fully effective to the acceleration and removal of Borrower, though the notice and late notice do not apply to the case of non-compliance under paragraph 22 or 23.

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**New Construction Contracts.** Lender shall further agree as follows:

20. Administration. Lender shall give notice to Borrower prior to administration of the Property, if and to the extent of any amount or aggregate liability incurred by the Borrower under paragraph 19 and if applicable for periods thereafter. The notice shall specify all the details of the default. If the action required to cure the default is taken, not less than 10 days before the date the notice is given to Borrower, he waives the defense that he cannot be compelled to take such action. Lender may rescind or cancellation of the notice if and when Lender ceases to own the debt(s) as or before the date specified in the notice and receipt of the rights so granted by the Security Instrument and title of the Property. The notice shall further advise Borrower of the rights so granted after termination and the right to bring a direct action to enjoin the continuation of a default or any other action of Borrower to administer the debt. If the default is not cured within the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by the Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 20, including, but not limited to reasonable attorney's fees and costs of collection.

21. Lender Invokes the power of sale. Lender shall cause or cause Borrower to execute a written notice of the occurrence of an event of default and of Lender's intention to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Borrower shall give notice of sale at the time prescribed by applicable law to Borrower and to other persons prescribed by applicable law. When the time so prescribed by applicable law, Borrower, without demand on Borrower, shall sell the Property at public auction in the highest bidder at the time and place and under the terms designated in the notice of the Property by public announcement at the time and place of any previously established sale. Lender or his designee may purchase the Property at any sale.

Seller shall deliver to the purchaser. Buyer's deed shall be given free of evidence of the date of the execution and expiration or renewal. The notice in the Lender's deed shall be given free of evidence of the date of the sale, including, but not limited to, reasonable Lender's and attorney's fees to all sums secured by the Security Instrument and of any expense to the person or persons legally entitled to it.

22. Lender in Possession. Upon commencement under paragraph 19 or abandonment of the Property, Lender (or its agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and repossess the Property and to reduce the costs of the Property, including those paid due to Lender or the receiver, shall be applied first to payment of the costs of management of the Property and collection of rents, including but not limited to, receiver's fees, reasonable attorney's fees and reasonable attorney's fees, and then to the sums secured by the Security Instrument.

23. Dispossession. Upon payment of all sums secured by the Security Instrument, Lender shall repossess Borrower's interests in the Property and shall surrender the Security Instrument and all other evidencing debt secured by this Security Instrument to Lender. Lender shall repossess the Property without warranty and without charge to the person or persons legally entitled to such possession. Seller shall pay any reconnection costs.

24. Redemption. Lender may from time to time require Borrower and approve a sufficient sum to pay any amount advanced by Lender in connection with the Property, the maximum amount shall exceed 10% of the total amount advanced by Lender before and by applicable law.

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

26. Mortgage Tax. As and in the Security Instrument and in the New "mortgage" form shall include any attorney's fees incurred in applying therefor.

27. Return to the Security Instrument. If one or more orders are executed by Borrower and recorded together with the Security Instrument, the covenants and agreements of each such order shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the content were a part of this Security Instrument. [Check applicable boxes]

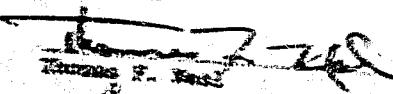
- Adjustable Rate Note  
 Graduated Payment Note  
 Other [Specify]

Condominium Note

Planned Unit Development Note

Family Note

By SIGNING HEREIN, Borrower agrees and agrees to the terms and conditions contained in the Security Instrument and to any order or decree by Borrower and accepted with it.

  
Thomas F. Neal  
  
Lucille E. Neal

Seal

Seal

STATE OF MISSOURI

COUNTY OF CLAYTON

The foregoing instrument was acknowledged before me on the 15th day of Nov. 1982

by Thomas F. Neal and Lucille E. Neal

Notary Public

My Commission Expires 11-3-90

  
Notary Public

Filed by Central Page Federal Savings and Loan Association

-8431

STATE OF OREGON COUNTY OF CLACKAMAS

Plat for survey or map of  
of \_\_\_\_\_

FEE \$27.00

Number of Plat \_\_\_\_\_  
AD. S. T. R. S. N. E. S. E. N. W. S. W. S. E. N. E. S. E.  
Description \_\_\_\_\_  
Date \_\_\_\_\_  
M. and date recorded in Rec. \_\_\_\_\_  
on Page \_\_\_\_\_  
In City Plat, County Plat, \_\_\_\_\_  
John L. H.