

11. **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender subject to the provisions of Paragraph 15 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof. Any Borrower who co-signs this Deed of Trust, but does not execute the Agreement, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Agreement or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Agreement, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

12. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by delivering it or by mailing such notice to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. **GOVERNING LAW; SEVERABILITY.** This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Agreement are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. **BORROWER'S COPY.** Borrower shall be furnished a copy of the Agreement and of this Deed of Trust at the time of execution hereof.

15. **OTHER AGREEMENTS.** Borrower shall fulfill all the Borrower's obligations under any other loan agreement which Borrower enters into with Lender or any home improvement or repair assessments. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. **TRANSFER OF PROPERTY.** If Borrower or any successor in interest to Borrower in the Property sells, conveys, alienates, assigns or transfers the Property, or any part of it, or any interest in it, or becomes divested of Borrower's title or any interest in it in any manner or way, whether voluntary or involuntary, Lender shall have the right, at its sole option, to declare any indebtedness or obligation secured by this Deed, irrespective of the maturity date otherwise specified with respect to such indebtedness or obligation immediately due and payable, without notice or demand, and no waiver of this right shall be effective unless in writing and signed by Lender.

17. **DEFAULT.**

17.1 **Events of Default.** The following shall constitute events of default:

- (a) Failure of Borrower to pay any portion of the indebtedness secured hereby when it is due.
- (b) Failure of Borrower within the time required by this Deed of Trust to make any payment for taxes or insurance or any other payment necessary to prevent filing of or discharge of any lien, except as provided in 3.2 hereof.
- (c) Transfer or agreement to transfer any part or interest in the Property without the prior written consent of Lender.
- (d) Insolvency on a balance sheet basis or business failure of Borrower; the commencement by Borrower of a voluntary case under the federal bankruptcy laws or under any other federal or state law relating to insolvency or debtor's relief; the entry of a decree or order for relief against Borrower in an involuntary case under the federal bankruptcy laws or under any other applicable federal or state law relating to insolvency or debtor's relief; the appointment or the consent by Borrower to the appointment of a receiver, trustee, or custodian of any of the Borrower's property; an assignment for the benefit of creditors by Borrower; the making or suffering by Borrower of a fraudulent transfer under applicable federal or state law; concealment by Borrower of any of its property in fraud of creditors; the making or suffering by Borrower of a preference within the meaning of the federal bankruptcy law; the imposition of a lien through legal proceedings or distraint upon any of the Property of Borrower which is not immediately discharged; or Borrower's failure generally to pay its debts as such debts become due. The events of default in this paragraph shall apply and refer to Borrower and to each of the individuals or entities which are collectively referred to as a "Borrower."
- (e) Failure of Borrower to make any payment or perform any obligation under the Prior Lien within the time required thereunder, or commencement of any suit or other action to foreclose the Prior Lien.
- (f) If the Property has been submitted to condominium ownership pursuant to the Oregon Condominium Act, or pursuant to any similar law of any other state, failure of Borrower to perform any of the obligations imposed on Borrower by the declaration submitting the Property to condominium ownership, by the bylaws of the association of unit owners, or by any rules or regulations thereunder. If Borrower's interest in the Property is a leasehold interest and such Property has been submitted to condominium ownership, any failure of Borrower to perform any of the obligations imposed on him by the lease of the Property from its owner, any default under such lease which might result in termination of the lease as it pertains to the Property, or any failure of Borrower as a member of the association of unit owners to take any reasonable action within Borrower's power to prevent a default under such lease by the association of unit owners or by any member of the association, shall also constitute an event of default under this Deed of Trust.
- (g) Failure of Borrower to perform any other obligation under this Deed of Trust after receipt of written notice from Lender specifying the nature of the default. No notice of default shall be required if during the prior 12 months Lender has already sent a notice to Borrower concerning default in performance of the same obligation.
- (h) Borrower's breach of any covenant contained in the Agreement.
- (i) Borrower's omission of material information, or making of any materially false or materially misleading statement, on Borrower's credit statement relied on by Lender in entering into the Agreement.
- (j) Borrower's death.
- (k) Borrower's further encumbering the Property or allowing the Property to be subjected to any liens or encumbrances except as provided in 3.2 hereof.
- (l) The occurrence of anything relating to Borrower or the Property which causes Lender in good faith to deem itself insecure.

17.2 **Remedies.** Upon the occurrence of any event of default and at any time thereafter, Trustee or Lender may exercise any one or more of the following rights and remedies:

- (a) Lender may declare the entire indebtedness secured hereby immediately due and payable.
- (b) The Trustee shall have the right to foreclose by notice and sale, and Lender shall have the right to foreclose by judicial foreclosure, in either case in accordance with applicable law.
- (c) If the Property is submitted to condominium ownership, Borrower grants an irrevocable power of attorney to Lender to vote in its discretion on any matter that may come before the members of the association of unit owners. Lender shall have the right to exercise this power of attorney only after default by Borrower and may decline to exercise the power, as Lender may see fit.

(d) Trustee and Lender shall have any other right or remedy provided in this Deed of Trust, the Agreement or any other instrument delivered by Borrower in connection therewith, or available at law, in equity or otherwise.

17.3 Sale of the Property. In exercising its rights and remedies, the Trustee or Lender may cause all or any part of the Property to be sold as a whole or in parcels, and certain portions of the Property may be sold without selling other portions. Lender may bid at any public sale on all or any portion of the Property.

17.4 Waiver; Election of Remedies. A waiver by either party of a breach of a provision of the Deed of Trust shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and all remedies of Lender under this Deed of Trust are cumulative and not exclusive. An election to make expenditures or take action to perform an obligation of Borrower shall not affect Lender's right to declare a default and exercise its remedies under this Deed of Trust.

17.5 Attorneys' Fees; Expenses. In the event suit or action is instituted to enforce any of the terms of this deed, the prevailing party shall be entitled to recover its reasonable attorneys' fees at trial, on any appeal, and on any petition for review, in addition to all other sums provided by law. Whether or not any court action is involved, all reasonable expenses incurred by Lender that are necessary at any time in Lender's opinion for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness secured hereby and shall be payable at the time and shall bear interest from the date of expenditure until repaid at the same interest rate as provided in Paragraph 8. Expenses covered by this paragraph include (without limitation) the cost of searching records, obtaining title reports, surveyors' reports, attorneys' opinions, title insurance, and fees for the Trustee.

18. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by 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, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

19. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all Notes/Agreements evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay all costs of preparation and recordation, if any.

20. SUBSTITUTE TRUSTEE. In accordance with applicable law, Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

21. USE OF PROPERTY. The property is not currently used for agriculture, timber or grazing purposes.

22. ATTORNEYS' FEES. As used in this Deed of Trust and in the Agreement, "attorneys' fees" shall include attorneys' fees, if any, which shall be awarded by an appellate court.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Marvin W. Edwards Linda D. Edwards
Borrower Borrower

STATE OF Oregon Borrower
County Klamath : ss
Borrower

On this 13 day of July, 1987, personally appeared the above named Marvin W. Edwards and Linda D. Edwards and acknowledged the foregoing instrument to be their voluntary act and deed.



[Signature]
Notary Public for Oregon
My Commission expires: 11-4-89

REQUEST FOR RECONVEYANCE

To Trustee:

The undersigned is the holder of the Agreement secured by this Deed of Trust. Said Agreement, together with all other indebtedness secured by the Deed of Trust, have been paid in full. You are hereby directed to cancel said Agreement 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: _____

12762

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 17th day
of July A.D., 19 87 at 2:19 o'clock P M., and duly recorded in Vol. M87
of Mortgages on Page 12758.

FEE \$14.00

Evelyn Biehn, County Clerk
By *Wm. Smith*