

98227

Order Number:

Vol. 119 Page 4677

AFTER RECORDING RETURN TO:

Oregon Bank
Designline
P.O. BOX 3615 Portland OR 97208

Attention: Elaine
MTC-21079

Space Above This Line For Recorder Use

LINE OF CREDIT DEED OF TRUST
(OREGON)

THIS DEED OF TRUST, made this 14th day of March, 19 89
between Daniel H. Miller & Margaret A. Miller, as tenants by the as GRANTOR, whose address is
entirety, P.O. BOX 95 Chiloquin OR 97624
(Number And Street) (City) (State)
and Mountain Title Company of Klamath County, as TRUSTEE, and
OREGON BANK, an Oregon corporation, as BENEFICIARY,

WITNESSETH: That Grantor irrevocably GRANTS, TRANSFERS and ASSIGNS to TRUSTEE IN TRUST, WITH POWER OF SALE,
the Real Property in Klamath County, Oregon described as:

Lot 20, Block 22, OREGON SHORES UNIT 2, TRACT 113.04, according to the official plat
thereof on file in the office of the County Clerk of Klamath County, Oregon.

including all appurtenances, all easements used in connection therewith, all water and water rights (whether riparian, appropriative, or otherwise, and
whether or not appurtenant) used in connection therewith, all shares of stock evidencing the same, pumping stations, engines, machinery, and pipe,
TOGETHER WITH the rents, issues and profits thereof, SUBJECT, HOWEVER, to the assignment, as hereinafter set out, to Beneficiary of the rents, issues
and profits, and also including as part of said Real Property, all fixtures and equipment now or hereafter thereto attached or thereon situated and intended
or designed for use in connection therewith.

FOR THE PURPOSE OF SECURING (1) Payment of the revolving line of credit indebtedness evidenced by a DesignLine Agreement of even date herewith
in the principal sum of \$ 30,000.00, or so much thereof as may be advanced and outstanding made by Grantor, payable to the order of
Beneficiary, the maturity date of which (for purposes of this Deed of Trust) shall be March 14, 1999 and all extensions,
modifications, additions, substitutions or renewals thereof; (2) Performance of each agreement of Grantor under the terms of the DesignLine Agreement;
(3) Performance of each agreement of Grantor herein contained.

THE INDEBTEDNESS SECURED BY THIS DEED OF TRUST IS A REVOLVING LINE OF CREDIT. FUNDS MAY BE ADVANCED BY BENEFICIARY,
REPAID BY GRANTOR AND SUBSEQUENTLY READVANCED BY BENEFICIARY. NOTWITHSTANDING THE AMOUNT OUTSTANDING AT ANY
PARTICULAR TIME, THIS DEED OF TRUST SECURES THE TOTAL INDEBTEDNESS OF \$ 30,000.00. ABSENT A DEFAULT BY
GRANTOR UNDER THE TERMS OF THE DESIGNLINE AGREEMENT ALL ADVANCES THEREUNDER BY BENEFICIARY ARE OBLIGATORY AND
ARE SECURED BY THIS DEED OF TRUST. ALL SUCH OBLIGATORY ADVANCES WILL HAVE THE SAME PRIORITY AS THE FUNDS INITIALLY
ADVANCED UNDER THE DESIGNLINE AGREEMENT.

This Deed of Trust secures an indebtedness which calls for a variable rate of interest under which the interest rate, payment terms and balance due under
the DesignLine Agreement may be indexed, adjusted or renewed, as set forth therein. The DesignLine Agreement provides:

"B. Periodic Interest. All Checks, advances and other debits to your Account (except periodic interest) are subject to interest from the date posted
to your Account until paid so there is no "free ride" period.

We compute the periodic interest on your Account by applying the periodic rate to the "average daily balance" of your Account (including current
transactions). To get the average daily balance we take the beginning balance of your Account each day, add any new advances, and subtract any
payments, credits and unpaid periodic interest. This gives us the daily balance. Then, we add up all the daily balances for the billing cycle and divide
the total by the number of days in the billing cycle. This gives us the average daily balance.

The daily periodic rate on your Account is a variable rate which may change if there is a change in the "Index". The Index is the Oregon Bank Prime
Rate (defined as that index rate used to price loans which is publicly announced by us from time to time as the Oregon Bank Prime Rate.)

To get the daily periodic rate, we will take the Index in effect on the first day of the month in which the billing statement is prepared, add 2.25 %
and divide by 365. The corresponding annual percentage rate is the daily periodic rate multiplied by 365.

As of 3-1-89, the Index is 11.50 %, the daily periodic rate is .037671 % and the corresponding ANNUAL
PERCENTAGE RATE is 13.75 %.

If the Index increases, the daily periodic rate, annual percentage rate and minimum monthly payment will increase. If the Index decreases, the daily
periodic rate, annual percentage rate and minimum monthly payment will decrease."

ACCORDING TO THE TERMS OF THE DESIGNLINE AGREEMENT THE UNPAID BALANCE OF THE REVOLVING LINE OF CREDIT MAY AT CERTAIN
TIMES BE ZERO. NOTWITHSTANDING THIS FACT, BENEFICIARY IS OBLIGATED UNDER THE TERMS OF THE DESIGNLINE AGREEMENT TO
ADVANCE TO THE GRANTOR UP TO \$ 30,000.00. THEREFORE, THE INTEREST OF BENEFICIARY HEREIN WILL REMAIN IN FULL FORCE
AND EFFECT NOTWITHSTANDING A ZERO BALANCE UNDER THE DESIGNLINE AGREEMENT.

TOB-121384 (8/87)

TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR AGREES:

4678

1. General Covenants by Grantor. Grantor covenants and agrees:

- a. To protect and preserve said Real Property and to maintain it in good condition and repair;
- b. Not to remove, demolish or materially alter any building or any improvement thereon, nor to change or alter either the terms and conditions of any existing lease of the premises, or to the present character or use of said Real Property;
- c. To promptly restore in a good and workmanlike manner any building or improvement which may be damaged or destroyed and to pay when due all costs incurred therefor;
- d. Not to commit or permit waste of the Real Property;
- e. To comply with all laws, covenants, conditions or restrictions affecting the Real Property;
- f. To do all other acts which from the character or use of said Real Property may be reasonably necessary, the specific enumerations herein not excluding the general;
- g. To provide and maintain fire and other insurance as required by Beneficiary, satisfactory to and with loss payable to Beneficiary, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums as additional security hereunder. Grantor agrees to deliver to Beneficiary the renewals of the insurance policies not less than ten calendar days before the expiration of the policy or policies to be renewed and replaced. In the event of sale by the Trustee or other transfer of title to the Real Property in extinguishment of the debt secured hereby, all right, title and interest of Grantor in and to any such insurance policies then in force shall pass to Beneficiary. Grantor will pay the premiums for said insurance as the same shall become due. Beneficiary shall not be responsible for any failure to place or maintain such insurance, or for loss or damage growing out of a defect or non-payment of loss under any such policy of insurance. If the Real Property covered hereby, or any part thereof, shall be damaged by fire or other hazards against which insurance is held, the amounts paid by any insurance company pursuant to the contract of insurance, shall be paid to Beneficiary and the amounts so received may be applied by Beneficiary, at its option, either upon any sum or sums secured by this Deed of Trust, whether or not same are due, or released by Beneficiary, at its option, for the repairing, replacing and rebuilding of the Real Property or for other purposes; said repairing, replacing and rebuilding to be done and made subject to the approval of Beneficiary and in a manner satisfactory to Beneficiary;
- h. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorneys' fees in a reasonable sum incurred by Beneficiary or Trustee. Grantor hereby represents and warrants that Grantor is lawfully seized of the above described Real Property in fee simple, and is the sole and exclusive owner thereof and has the right to execute this Deed of Trust and will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever. The Real Property is free from all encumbrances and liens, except:

- i. To pay when due all taxes, assessments, and charges affecting the Real Property including but not limited to any water stock and water;
- j. To pay when due all encumbrances, charges and liens on the Real Property which at any time appear to be prior or superior hereto;
- k. To pay all costs, fees and expenses (including reasonable attorneys' fees) incurred by Beneficiary and Trustee that are necessary at any time in Beneficiary's absolute discretion for the protection of its interest or enforcement of its rights, whether or not any foreclosure action is involved.

2. Payment of Indebtedness. Grantor covenants and agrees to pay when due the principal and interest on the indebtedness evidenced by the DesignLine Agreement.

3. Curative or Other Action. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expand whatever amounts in the Beneficiary's or Trustee's absolute discretion may be deemed necessary therefor, including cost of evidence of title, employ counsel and pay counsel's reasonable fees.

4. Payment of Expenses. Grantor shall pay immediately without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate of interest as set forth in the accompanying DesignLine Agreement and the repayment thereof shall be secured hereby.

IT IS MUTUALLY AGREED THAT:

5. Condemnation, Damage. Should the Real Property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, earthquake, or in any manner, Grantor hereby absolutely and irrevocably assigns to Beneficiary all compensation, awards and other payment or relief therefor and Beneficiary shall be entitled at Beneficiary's option to commence, appear and prosecute in Beneficiary's own name, any action or proceedings, or to make any compromise or settlement in connection with such taking or damage. All such compensation, awards, damages, rights of action and proceeds, including the proceeds of any policies of fire and other insurance affecting said Real Property, so assigned, after deduction of Beneficiary's expenses including attorneys' fees, are to be applied on any indebtedness secured hereby.

6. Acceptance of Payments. By accepting payment of any sum secured hereby after the payment due date, Beneficiary does not waive Beneficiary's right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

7. Beneficiary's Actions. Without affecting the liability of any person including Grantor for the payment of any indebtedness secured hereby or the lien of this Real Property upon the Real Property for the full amount of the indebtedness remaining unpaid (excepting only any person or Real Property expressly released otherwise by Beneficiary), Beneficiary may from time to time and without notice: (a) release any person liable for payment of any of the indebtedness; (b) extend the time of payment or otherwise alter the terms of any of the indebtedness; (c) accept additional security therefor of any kind, including trust deeds or mortgages; (d) alter, substitute or release any Real Property securing the indebtedness.

8. Trustee's Actions. At any time and from time to time upon written request of Beneficiary, payment of Beneficiary's fees and presentation of this Deed of Trust and the DesignLine Agreement for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness, Trustee may: (a) consent to the making of any map or plat of the Real Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed of Trust or the lien or charge thereof; (d) reconvey, without warranty, all or any part of the Real Property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto" and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.

9. Assignment of Rents. Grantor hereby absolutely assigns to Beneficiary during the continuance of this Deed of Trust all rents, issues, royalties and profits of the Real Property affected by this Deed of Trust. Until Grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Grantor shall have the right to collect all such rents, issues, royalties and profits earned prior to default as they become due and payable, save and excepting rents, issues, royalties and profits arising or accruing by reason of any oil, gas or mineral lease of said Real Property. If Grantor shall default as aforesaid, Grantor's right to collect any of such moneys shall cease and Beneficiary shall have the right, without taking possession of the Real Property affected hereby, to collect all rents, royalties, issues and profits. Failure or discontinuance of Beneficiary at any time or from time to time, to collect any such moneys shall not in any manner affect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same. Nothing contained herein, nor the exercise of the right by Beneficiary to collect, shall be, or be construed to be, an affirmation by Beneficiary of any tenancy, lease or option, nor an assumption of liability under, nor a subordination of the lien or charge of this Deed of Trust to any such tenancy, lease or option.

10. Collection of Rents. Upon any default by Grantor hereunder, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said Real Property or any part thereof, in Beneficiary's own name sue for or otherwise collect said rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine or release any of the same.

08553

08553

11. **Right of Entry.** The entering upon and taking possession of said Real Property, the collection of rents, issues and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Real Property and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

12. **Events of Default.** An Event of Default will occur hereunder upon breach or violation of Grantor's covenants under the DesignLine Agreement or this Deed of Trust. In addition to the Event of Default caused by sale or transfer of all or any part of the Real Property, or any interest therein, which event is specifically covered in paragraph 13 hereof, such Events of Default include, without limitation, the following: (a) Grantor fails to pay any amounts due under the DesignLine Agreement in a timely manner; (b) Grantor breaches any other covenant contained in the DesignLine Agreement; (c) Grantor further encumbers the property or allows the property to be subjected to a lien junior to this Deed of Trust which secures the DesignLine Account; (d) Grantor dies or becomes the subject of any criminal or incompetency proceeding; (e) Grantor is in default of any other obligation to the Beneficiary; (f) Grantor omitted information or made misstatements which had a material effect on Grantor's application or financial statement; (g) There is a material decline in Grantor's financial condition or in the value of the property securing the DesignLine Account; (h) A petition for Bankruptcy is filed on Grantor's behalf under any state or federal bankruptcy law in effect; (i) Any creditors attempt to take Grantor's property or garnish Grantor's wages; (j) Grantor makes more than three consecutive minimum payments on Grantor's DesignLine Account using DesignLine Account Checks.

13. **Limitations on Transfer.** Grantor shall not sell, transfer, convey, contract to sell, or assign, either voluntarily or involuntarily all or any part of the Real Property or any interest therein (collectively, a "transfer"), whether or not the transferee assumes or agrees to pay the indebtedness secured hereby. Any such transfer shall constitute an Event of Default hereunder and Beneficiary may elect to declare all sums secured hereby to be immediately due and payable. If a transfer occurs after the credit extended under the DesignLine Agreement is terminated by Beneficiary or Grantor, the Beneficiary may require such information concerning the transferee as it would on a new credit applicant, and may impose a service charge and increase the interest rate on the DesignLine Account.

14. **Remedies of Beneficiary.** Should Grantor default hereunder, or should the buildings on the Real Property remain unoccupied for six successive months, notwithstanding any other provisions hereof, and without notice to Grantor, Beneficiary may declare all sums secured hereby immediately due and payable, may exercise any other right or remedy provided herein, and may exercise all other rights and remedies permitted under applicable law. All rights and remedies shall be cumulative and may be exercised singularly, concurrently and from time to time. If Beneficiary elects to foreclose this Deed of Trust by nonjudicial foreclosure, Beneficiary shall deliver to Trustee written notice of default and of election to cause the Real Property to be sold, which notice Trustee shall cause to be duly filed for record.

15. **Nonjudicial Foreclosure.** After the lapse of such time as may then be required by law following the recording of said notice of default and notice of sale having been given as then required by law, Trustee shall sell said Real Property at the time and place fixed by the Trustee in said notice of sale either as a whole or in separate parcels and in such order as the Trustee may determine. Trustee may postpone sale of all or any portion of the Real Property by public announcement at the time and place of sale and from time to time thereafter may postpone the sale by public announcement at the time fixed by the preceding postponement. Any person (including the Grantor or Beneficiary) may purchase at the sale. Trustee shall deliver to the purchaser a (Trustee's) deed conveying the Real Property so sold, but without any covenant or warranty, express or implied. The recitals in the deed or any matters or facts shall be conclusive proof of the truthfulness thereof.

16. **Successor Trustees.** Beneficiary may from time to time substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Trust. Upon such appointment and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed by Beneficiary, containing reference to this Deed of Trust and the Deed of Trust's place of record which when recorded in the office of the County Recorder of the county or counties in which the Real Property is situated, shall be conclusive proof of proper appointment to the successor trustee.

17. **Statute of Limitations.** The pleading of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust is hereby waived to the full extent permissible by law.

18. **Successors.** Subject to the limitations on transfer of Grantor's interest contained in this Deed of Trust, this Deed of Trust shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledges, of the DesignLine Agreement secured hereby, whether or not named as beneficiary herein.

19. **Trustee's Duties.** Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action of proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless brought by Trustee.

20. **Governing Law.** This Deed of Trust shall be construed according to the laws of the State of Oregon.

21. **Captions; Terms.** The captions contained in this Deed of Trust are for convenience of reference only and they shall not affect the meaning of any provision of this Deed of Trust. As used in this Deed of Trust and the DesignLine Agreement, "attorneys' fees" shall include all attorneys' fees incurred at trial, upon appeal or any petition for review, or in connection with any nonjudicial action by Beneficiary (whether or not a foreclosure has been commenced).

22. **Non-Waiver.** No delay or failure on the part of the Beneficiary in the exercise of any right or remedy shall operate as a waiver thereof and no single or partial exercise by the Beneficiary of any right or remedy shall preclude other or further exercise thereof or the exercise of any right or remedy. No amendment or waiver of any provision nor consent to any departure by Grantor therefrom shall in any event be in effect unless in writing and signed by Beneficiary; such written waiver or consent to be effective only in the specific instance and for the specific purpose for which given.

23. **Security Agreement.** This instrument shall constitute a security agreement with respect to any personal property or fixtures or both included within the description of the trust property. At the request of the Beneficiary, Grantor shall join with Beneficiary in executing one or more financing statements pursuant to the Uniform Commercial Code in a form satisfactory to Beneficiary and will pay for filing the same in the proper public office or offices as well as the cost of such lien searches made by filing officers or searching agencies as may be deemed desirable by the Beneficiary.

24. **Notices.** Any notice under this Deed of Trust shall be in writing and shall be effective when actually delivered or, if mailed, when deposited in the U.S. Mail, directed to the address stated in this Deed of Trust. Either party may change the address for notices by written notice to the other party.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be duly executed as of the date set forth above.

K Daniel H. Miller
X Margaret Ann Miller Grantor
 State of Oregon, Jackson County SS: 19 89
 On this 14th day of March, 19 89, personally appeared the above
Daniel H. Miller and Margaret Ann Miller and acknowledged
 the foregoing instrument to be their voluntary act and deed.
 (Official Seal) Before me:

M. J. Lane
 notary public for Oregon
 My commission expires: 11-7-92

BEFORE THE NOTARY PUBLIC

(Official Record of Notary Public)

4680

REQUEST FOR FULL RECONVEYANCE

(To be used only when note has been paid.)

To: Trustee

The undersigned is the legal owner and holder of the note or other credit agreement and all other indebtedness secured by the within Deed of Trust. You are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said note or credit agreement and Deed of Trust, and to reconvey, without warranty, to the person or persons legally entitled, all the estate now held by you thereunder. Said note or credit agreement and said Deed of Trust are herewith surrendered to you for cancellation and retention.

Dated: _____, 19____ Beneficiary: _____
By: _____
Title _____
Banking Office _____

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 20th day
of March A.D., 19 89 at 4:13 o'clock P.M., and duly recorded in Vol. M89,
of Mortgages on Page 4677.

FEE \$23.00

Evelyn Biehn, County Clerk
By Pauline Mullender