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DEED OF TRUST  
LINE OF CREDIT INSTRUMENT

**U.S. BANK.**

03-07-94A10:59 RCVD

Date: March 4, 1994

Grantor(s): MARK E STILWELL AND  
BETTY M STILWELL

Address: 9080 Hill Rd  
Klamath Falls OR 97603

Grantor(s): \_\_\_\_\_  
Borrower(s): \_\_\_\_\_  
MARK E STILWELL AND  
BETTY M STILWELL

Address: 6080 Hill Rd  
Klemeth Falls OR 97603

Borrower(s): \_\_\_\_\_  
Beneficiary/(“Lender”): \_\_\_\_\_  
United States National  
Bank of Oregon

Address: 501 SE Hawthorne Blvd Ste 301  
Portland OR 97208

Beneficial: J.R. [unclear]  
Trustee: U.S. Bank of Washington,  
National Association

Address: PO Box 3347  
Portland Or 97208

Trustee: National

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, Tax Account Number 3910 2800 400, located in Klamath County, State of Oregon, more particularly described as follows:

ENCLOSURE EXHIBIT "A"

Trustee: National Bank of Commerce

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, Tax Account Number 3910 2800 400, located in Klamath County, State of Oregon, more particularly described as follows:

SEE ATTACHED EXHIBIT "A"

or as described on Exhibit A, which is attached hereto and by this reference incorporated herein, and all buildings and other improvements and fixtures now or later located on the Property (all referred to in this Deed of Trust as "the Property"). 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.

2. **DEBT SECURED.** This Deed of Trust secures the following:

Trust.

DEBT SECURED. This Deed of Trust secures the following:

☒ a. The payment of the principal, interest, credit report fees, late charges, attorneys' fees (including any on appeal or review, collection costs and any and all other amounts, owing under a note with an original principal amount of \$ 23,000.00, dated March 4, 1994, signed by Mark E Stilwell and Betty M Stilwell (Borrower) March 15, 1999, as well as the following obligations, if any

☒ a. The payment of the principal, interest, taxes, insurance, and other charges, together with costs and any and all other amounts, owing under a note or notes, executed by or for the Trust, dated March 4, 1994, signed by Mark E Stilwell and Betty M Stilwell (Borrower), as well as the following obligations, if any, and payable to Lender, on which the last payment is due March 15, 1999, as well as the following obligations, if any (collectively "Notes"):

and any extensions and renewals of any length. The words "LINE OF CREDIT INSTRUMENT" do not apply to this Deed of Trust if this paragraph 2.a. is checked, unless paragraph 2.b. is also checked.

☐ b. The payment of all amounts that are payable to Lender at any time under a \_\_\_\_\_, signed by \_\_\_\_\_, and any amendments thereto ("Credit Agreement"), dated \_\_\_\_\_, ("Borrower"). The Credit Agreement is for a revolving line of credit under which Borrower may obtain (in accordance with the terms of the Credit Agreement) one or more loans from Lender on one or more occasions. The maximum principal amount to be advanced and outstanding at any one time pursuant to the Credit Agreement is \$ \_\_\_\_\_. The term of the Credit Agreement is \_\_\_\_\_, which begins on the above-indicated date of the Credit Agreement and shall continue for a period of ten years, which begins on the above-indicated date of the Credit Agreement.

The term of the Credit Agreement consists of an initial period of ten years, which begins on the above-indicated date of the Credit Agreement, during which advances can be obtained by Borrower, followed by a repayment period of indeterminate length during which Borrower must repay all amounts owing to Lender.

The term of the Credit Agreement shall be \_\_\_\_\_, commencing on the date hereof, during which advances can be obtained by Borrower, followed by a repayment period of \_\_\_\_\_ months, during which the Borrower shall repay the advances in equal monthly installments of principal and interest, plus amounts owing to Lender.

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 or review), collection costs and any and all other amounts that are payable to Lender at any time under the Credit Agreement, and any extensions and renewals of any length.

Borrower hereby agrees to pay to Lender the sum of \_\_\_\_\_ Dollars, with interest thereon, advanced under this Deed of Trust to protect the interest of Lender in the property described herein. This Deed of Trust also secures the payment of all other sums, with interest thereon, advanced under this Deed of Trust to protect the interest of Lender in the property described herein.

☒ 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.

☒ c. This Deed of Trust and the performance of any covenants, conditions or warranties made by Borrower hereunder shall constitute security of this Deed of Trust, and the performance of any covenants, conditions or warranties made by Borrower under this Deed of Trust.

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

**THIS SPACE FOR RECORDER USE**

THIS SPACE FOR RECORDER USE

After recording, return to:

Consumer Finance Center  
501 SE Hawthorne Blvd Ste 301  
Portland OR 97208

6996

U.S. BANK.

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## 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 as a special flood hazard area, and extended coverage insurance, if any, as follows:

STATE FARM INS

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 I do not do any of these things, you may do them and add the cost to the Note or Credit Agreement as applicable. 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 Credit Agreement, whichever is higher. Even if you do these things, my failure to do them will be a default under Section 8, 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 do not receive any payment on the debt secured by this Deed of Trust when it is due;

6.2 If I commit fraud or make any material misrepresentation in connection with my loan application, the Note or Credit Agreement, this Deed of Trust, or any aspect of my line of credit. For example, it will be a default if I give you a false financial statement, or if I do not tell you the truth about my financial situation, about the Property that is subject to this Deed of Trust, or about my use of the money I obtained from you through the Note or line of credit;

6.3 If any action or inaction by me adversely affects your security for the Note or Credit Agreement, including, but not limited to, the following:

- If all or any part of the Property, or an interest in the Property, is sold or transferred;
- If I fail to maintain required insurance on the Property;
- If I commit waste on the Property or otherwise destructively use or fail to maintain the Property;
- If I die;
- If I fail to pay taxes or any debts that might become a lien on the Property;
- If I do not keep the Property free of deeds of trust, mortgages and liens, other than this Deed of Trust and other Permitted Liens I have already told you about;
- If I become insolvent or bankrupt;
- If any person forecloses or declares a forfeiture on the Property under any land sale contract, or forecloses any Permitted Lien or other lien on the Property; or
- If I fail to keep any agreement or breach the warranties, representations or covenants I am making to you in this Deed of Trust about hazardous substances on 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, 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 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 attorney fees including any on appeal or review.

7.6 You may use any other rights you have under the law, this Deed of Trust, or other agreements, including but not limited to any Note or Credit Agreement.

## 8. HAZARDOUS SUBSTANCES.

8.1 Except as previously disclosed to you in writing, I represent and warrant to you that no hazardous substance is stored, located, used or produced on the Property, and that to the best of my knowledge, after due and diligent inquiry, no hazardous substance is stored, located, used or produced on any adjacent Property, nor has any hazardous substance been stored, located, used, produced, or released on the Property or any adjacent property prior to my ownership, possession or control of the Property.

8.2 I will not cause or permit any activity on the Property that directly or indirectly could result in the release of any hazardous substance onto or under the Property or any other property. I agree to provide written notice to you immediately when I become aware that the Property or any adjacent property is being or has been subjected to a release of any hazardous substance.

8.3 You and your representatives may enter the Property at any time for the purpose of conducting an environmental audit, committing only such injury to the Property as may be necessary to conduct the audit. You shall not be required to remedy any such injury or compensate me therefor. I shall cooperate in all respects in the performance of the audit. I shall pay the costs of the audit if either a default exists under this Deed of Trust at the time you arrange to have the audit performed or if the audit reveals a default pertaining to hazardous substances. If I refuse to permit you or your representatives to conduct an environmental audit on the Property, you may specifically enforce performance of this provision.

8.4 I will indemnify and hold you harmless from and against any and all claims, demands, liabilities, lawsuits and other proceedings, damages, losses, liens, penalties, fines, clean-up and other costs, expenses, and attorney fees (including any on appeal or review) arising directly or indirectly from or out of, or in any way connected with (i) the breach of any representation, warranty, covenant, or agreement concerning hazardous substances contained in this Deed of Trust or in any other document executed by me in connection with the debt secured by this Deed of Trust; (ii) any release onto or under the Property or other property of any hazardous substance that occurs as a direct or indirect result of acts or omissions by me or my agents or independent contractors; and (iii) any release onto or under the Property of any hazardous substance that occurs during my ownership, possession, or control of the Property.

8.5 If you shall at any time, through the exercise of any of your remedies under this Deed of Trust, or by taking a deed in lieu of foreclosure, hold title to or own the Property in your own right, you may, at your option, convey the Property to me. I covenant and agree that I shall accept delivery of any instrument of conveyance and resume ownership of the Property in the event you exercise your option hereunder to convey the Property to me. You, at your sole discretion, shall have the right to record any instrument conveying the Property to me and such recordation shall be deemed acceptance by me of the instrument and the conveyance.

U.S. BANK.

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8.6 All of my representations, warranties, covenants and agreements contained in this Deed of Trust regarding any hazardous substance, including but not limited to my agreement to accept conveyance of the Property from you and to resume ownership, shall survive foreclosure of this Deed of Trust or acceptance by you of a deed in lieu of foreclosure.

8.7 For purposes of this Deed of Trust, the term "hazardous substance" means any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material or hazardous, toxic or radioactive substance (or designated by any other similar term) by any applicable federal, state or local statute, regulation or ordinance now in effect or in effect at any time during either the term of this Deed of Trust or the period of time I remain in possession, custody, or control of the Property following either foreclosure of this Deed of Trust or acceptance by you of a deed in lieu of foreclosure.

9. SATISFACTION OF DEED OF TRUST. When the Note or Credit Agreement or both, as applicable, are completely paid off and the Credit Agreement, as applicable, is cancelled and terminated as to any future loans, I understand that you will request Trustee to reconvey, without warranty, the Property to the person legally entitled thereto. I will pay Trustee a reasonable fee for preparation and execution of the reconveyance instrument and I will record the reconveyance at my expense.

10. 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.

11. OREGON LAW APPLIES. This Deed of Trust will be governed by Oregon law.

12. NAMES OF PARTIES. In this Deed of Trust "I", "me" and "my" mean Grantor(s), and "you" and "your" mean Beneficiary/Lender.

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

Mark E Stilwell  
Grantor Mark E Stilwell

Grantor

Grantor

Betty M. Stilwell  
Grantor Betty M Stilwell

Grantor

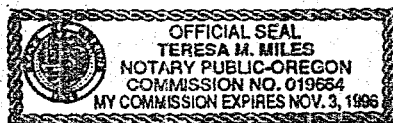
## INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON )

County of Klamath ) ss.

March 4, 1994  
Date

Personally appeared the above named Mark E Stilwell and Betty M Stilwell  
and acknowledged the foregoing Deed of Trust to be a voluntary act.



Before me:

Teresa M. Miles  
Notary Public for Oregon

My commission expires: 11-3-96

## EXHIBIT "A"

A parcel of land situated in Section 28, Township 39 South, Range 10 East of the Willamette Meridian, being more particularly described as follows:

Commencing at a 5/8 inch iron pin marking the Northeast corner of the NW 1/4 of said Section 28; thence North 89°54'41" West 19.30 feet; thence South 00°19'32" East along the Westerly right of way line of Hill Road 488.67 feet to the point of beginning for this description; thence continuing South 00°19'32" West along said right of way line, 458.67 feet to a 5/8 inch iron pin; thence leaving said right of way line North 88°56'48" West, 476.05 feet to a 5/8 inch iron pin; thence North 00°19'32" East 454.67 feet; thence South 89°25'44" East 476.02 feet to the point of beginning.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title Co the 7th day of March A.D., 19 94 at 10:59 o'clock A M., and duly recorded in Vol. M94 of Mortgages on Page 6995

FEE \$20.00

Evelyn Riehn County Clerk

By Teresa M. Miles