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RECORDATION REQUESTED BY:

First Interstate Bank of Oregon, N.A.
2809 S SIXTH STREET
P.O. Box 238
KLAMATH FALLS, OR 97601

Volume 95 Page 4027

WHEN RECORDED MAIL TO:

First Interstate Bank of Oregon, N.A.
2809 S SIXTH STREET
P.O. Box 238
KLAMATH FALLS, OR 97601

SEND TAX NOTICES TO:

GREGORY D MC IS
15110 CLOVER CREEK RD
KLAMATH FALLS, OR 97601

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

DEED OF TRUST

LINE OF CREDIT MORTGAGE

LINE OF CREDIT MORTGAGE. (a) This Deed of Trust is a LINE OF CREDIT MORTGAGE. (b) The maximum amount to be advanced pursuant to the credit agreement is \$8,000.00. (c) The term of the credit agreement commences on the date of this Deed of Trust and ends on or after February 17, 2000.

THIS DEED OF TRUST IS DATED FEBRUARY 17, 1995, among GREGORY D MORRIS, whose address is 15110 CLOVER CREEK RD, KLAMATH FALLS, OR 97601 referred to below as "Grantor"; First Interstate Bank of Oregon, N.A., whose address is 2809 S SIXTH STREET, P.O. Box 238, KLAMATH FALLS, OR 97601 (referred to below sometimes as "Lender" and sometimes as "Beneficiary"); and MOUNTAIN TITLE COMPANY, whose address is 222 SO. 6TH ST KLAMATH FALLS, OR 97601 (referred to below as "Trustee").

CONVEYANCE AND GRANT. For valuable consideration, Grantor conveys to Trustee for the benefit of Lender as Beneficiary, all of Grantor's right, title, and interest in and to any Lease the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures, all easements, rights, if any, and appurtenances, all water, water rights and ditch rights (including stock in utilities with ditch participation rights), and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in KLAMATH County, State of Oregon (the "Real Property");

KLAMATH RIVER ACRES, BLOCK 3 LOT 7

The Real Property or its address is commonly known as 15110 CLOVER CREEK RD, KLAMATH FALLS, OR 97601. The Real Property tax identification number is R499909.

Grantor presently assigns to Lender (also known as Beneficiary in this Deed of Trust) all of Grantor's right, title, and interest in and to all present and future leases of the Property and all Rents from the Property. In addition, Grantor grants Lender a Uniform Commercial Code security interest in the Rents and the Personal Property defined below.

DEFINITIONS. The following words shall have the following meanings when used in this Deed of Trust. Terms not otherwise defined in this Deed of Trust shall have the meanings attributed to such terms in the Oregon Uniform Commercial Code.

Credit Agreement. The words "Credit Agreement" mean the revolving credit agreement dated February 17, 1995 with a credit limit in the amount of \$6,000.00 between Grantor and Lender together with all renewals, extensions, modifications, refinancings, and substitutions for the Credit Agreement. The interest date of this Deed of Trust is February 17, 2000. The rate of interest on the Credit Agreement is subject to indexing, adjustment, renewal, or renegotiation.

Existing Indebtedness. The words "Existing Indebtedness" mean the indebtedness described below in the Existing Indebtedness section of this Deed of Trust.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means the principal and interest payable under the Credit Agreement and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Trustee or Lender to enforce obligations of Grantor under this Deed of Trust, together with interest on such amounts as provided in this Deed of Trust. Specifically, without limitation, this Deed of Trust secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement. Such advances may be made repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Deed of Trust secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided above and any intermediate balance.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

DEED OF TRUST
(Continued)

encumbrances other than those set forth in the Real Property Description or in the Existing Indebtedness section below or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Deed of Trust, and (b) Grantor has the full right, power, and authority to execute and deliver this Deed of Trust to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons.

EXISTING INDEBTEDNESS. The following provisions concerning existing indebtedness (the "Existing Indebtedness") are a part of this Deed of Trust.

Existing Lien. The lien of this Deed of Trust securing the Indebtedness may be secondary and junior to the lien securing payment of an existing obligation. The existing obligation has a current principal balance of approximately \$14,153.00. Grantor expressly covenants and agrees to pay, or see to the payment of, the Existing Indebtedness and to prevent any default on such indebtedness and default under the instruments evidencing such indebtedness, or any default under any security documents for such indebtedness.

CONDEMNATION. The following provisions relating to proceedings in condemnation are a part of this Deed of Trust.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness for the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees necessarily paid or incurred by Grantor, Trustee, or Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by Lender from time to time to permit such participation.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Deed of Trust: (a) Grantor commits fraud or makes a material misrepresentation at any time in connection with the credit line account. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspect of Grantor's financial condition. (b) Grantor does not meet the repayment terms of the credit line account. (c) Grantor's action or inaction adversely affects the collateral for the credit line account or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, creation of a lien on the dwelling without our permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Trustee or Lender, at its option, may exercise any one or more of the following rights and remedies in addition to any other rights or remedies provided by law:

Accelerate Indebtedness. Lender shall have the right at its option to declare the Indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

Foreclosure. With respect to all or any part of the Real Property, 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 which the Real Property is foreclosed by judicial foreclosure, Lender will be entitled to a judgment which will provide that if the foreclosure sale proceeds are insufficient to satisfy the judgment, execution may be sought for the amount of the unpaid balance of the judgment.

Other Remedies. Trustee or Lender shall have all other rights or remedies provided in this Deed of Trust or the Credit Agreement or by law.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all rights to have the Property marshalled. In exercising its rights and remedies, the Trustee or Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property.

Attorneys' Fees, Expenses. If Lender institutes any suit or action to enforce any of the terms of this Deed of Trust, Lender shall be entitled to recover such sums as the court may adjudicate reasonable as attorneys' fees and costs, including all reasonable expenses incurred by Lender with respect to the enforcement of its rights shall become a part of the Indebtedness payable by Grantor by this paragraph. Expenses shall include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings, post-judgment collection services, the cost of searching records, obtaining vacate any automatic stay or injunction), appeals and other efforts to modify or enforce the judgment, and any anticipated future title insurance and fees for the Trustee to the extent permitted by applicable law. Grantor also will pay any court costs in addition to all other sums provided by law.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Deed of Trust:

Applicable Law. This Deed of Trust has been delivered to Lender and accepted by Lender in the State of Oregon. This Deed of Trust shall be governed by and construed in accordance with the laws of the State of Oregon.

Time is of the Essence. Time is of the essence in the performance of this Deed of Trust.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Deed of Trust (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this 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. No prior waiver by Lender nor any course of dealing between Lender and Grantor shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Deed of Trust, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

EACH GRANTOR ACKNOWLEDGES HAVING READ AND UNDERSTOOD THE PROVISIONS OF THIS DEED OF TRUST, AND EACH GRANTOR AGREES TO ITS TERMS.

GRANTOR:

x Gregory B Morris
GREGORY B MORRIS

DEED OF TRUST
(Continued)

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INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF KLAMATH


 OFFICIAL SEAL
 T. BOCCCHI
 NOTARY PUBLIC - OREGON
 COMMISSION #007030
 MY COMMISSION EXPIRES MAY 28, 1995

On this day before me, the undersigned Notary Public, personally appeared GREGORY D MORRIS to me known to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 11TH

day of FEBRUARY

1995

By [Signature]

Residing at 2409 S. 6TH ST. KLAMATH FALLS, OR. 97603

Notary Public in and for the State of OREGON

My commission expires MAY 28, 1995

REQUEST FOR FULL RECONVEYANCE

(To be used only when obligations have been paid in full)

To _____, Trustee
 The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by this Deed of Trust have been fully paid and satisfied. You are hereby directed, upon payment to you of any sums owing to you under the terms of this Deed of Trust or pursuant to any applicable statute, to cancel the Credit Agreement secured by this Deed of Trust (which is delivered to you together with this Deed of Trust), and to reconvey without warranty, to the parties designated by the terms of this Deed of Trust, the estate now held by you under this Deed of Trust. Please mail the reconveyance and Related Documents to:

Date: _____

Beneficiary: _____

By: _____

Its: _____

STATE OF OREGON COUNTY OF KLAMATH

Filed for record at request of _____ Mount In Title Co
 of _____ Feb _____ A.D. 19 95 at 2 o'clock P.M. and duly recorded in Vol. _____ the 23rd day
 of _____ Mortgages _____ on Page _____ (127) M95

FEE \$25.00

Berneta G. Letsch, County Clerk

By [Signature]