

# DEED OF TRUST LINE OF CREDIT INSTRUMENT

THEODORE H GEHRMAN, TRUSTEE  
MURIEL F GEHRMAN, TRUSTOR  
OF  
THE THEODORE H AND MURIEL F GEHRMAN  
TRUST, DATED OCTOBER 18, 1990

Date: May 8, 1995

Grantor(s):

Address: 72 Eulalona Ct

THEODORE H GEHRMAN AND  
MURIEL F GEHRMAN

Borrower(s):

Klamath Falls OR 97601

Address: 72 Eulalona Ct

Klamath Falls OR 97601

Beneficiary/("Lender"): United States National  
Bank of Oregon

Address: P O Box 3176

Portland OR 97208-3176

Trustee: U.S. Bank of Washington,  
National Association

Address: PO Box 3347

Portland Or 97208

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 109435, located in Klamath County, State of Oregon, more particularly described as follows:

LOT 11 IN BLOCK 5, TRACT NO. 1145, NOB HILL, A RESUBDIVISION OF  
PORTION OF NOB HILL, IRVINGTON HEIGHTS, MOUNTAIN VIEW, AND ELDORADO  
HEIGHTS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE  
OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

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:

☒ 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 \$ 20,400.00, dated May 8, 1995, signed by Theodore H Gehrman and Muriel F Gehrman

("Borrower")

and payable to Lender, on which the last payment is due May 15, 2010, as well as the following obligations, if any (collectively "Note"):

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 \_\_\_\_\_ dated \_\_\_\_\_, and any amendments thereto ("Credit Agreement"), signed by \_\_\_\_\_ ("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 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.

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.

☒ 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.

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.

After recording, return to:

THIS SPACE FOR RECORDER USE

U S Bank Consumer Finance Ctr

P O Box 3176

Portland OR 97208-3176



DEED OF TRUST  
LINE OF CREDIT INSTRUMENT

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:

TEACHERS INSURANCE

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)":

U.S. BANK OF OREGON

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 6, 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.



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**DEED OF TRUST  
LINE OF CREDIT INSTRUMENT**

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.

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

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.

X Theodore H Gehrman  
Grantor Theodore H Gehrman, TRUSTEE

X Muriel F. Gehrman  
Grantor Muriel F Gehrman, TRUSTEE

Grantor

Grantor

Grantor

**INDIVIDUAL ACKNOWLEDGMENT**

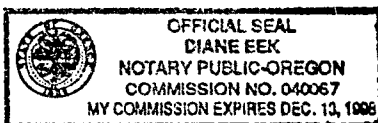
STATE OF OREGON )

) ss.

County of Klamath

Date 5-8-95

Personally appeared the above named Theodore H Gehrman and Muriel F Gehrman, Trustees  
and acknowledged the foregoing Deed of Trust to be a voluntary act.



Before me:

Diane Eek  
Notary Public for Oregon

My commission expires: 12-13-98

**REQUEST FOR RECONVEYANCE**

TO TRUSTEE:

The undersigned is the holder of the Note or Credit Agreement or both, as applicable, secured by this Deed of Trust. The entire obligation evidenced by the Note or Credit Agreement or both, as applicable, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel the Note or Credit Agreement or both, as applicable, and this Deed of Trust, which are delivered herewith, and to reconvey, without warranty, all the estate now held by you under the Deed of Trust to the person or persons legally entitled thereto.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

LOAN AGREEMENT AND  
DIRECTION TO TRUSTEE - DEED OF TRUST

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LOAN AGREEMENT

In consideration of the extension of credit by United States  
National Bank of Oregon ("Bank") to  
Theodore H. Gehrman and Muriel F. Gehrman

("Borrower") in the manner indicated in the Promissory Note dated  
MAY 8TH, 1995, in the principal amount  
of \$ 20,400.00 ("Note"), I/we,

Theodore H. Gehrman and Muriel F. Gehrman

, Trustor\* of the

Revocable Living Trust Agreement dated October 18, 1990

("Trust") in which Theodore H. Gehrman and

Muriel F. Gehrman

is Trustee,\* agree as follows:

1. I will direct my Trustee to execute on behalf of the Trust a Deed of Trust in favor of Bank to secure repayment of the Note.

2. Bank will not be held responsible for any use of the loan proceeds by Borrower, Trustee, Trustor, or by any agent, nominee, or other person Borrower, Trustee or Trustor may have authorized or Bank may reasonably believe has been so authorized.

3. I will notify Bank immediately of the death, incapacity, removal or resignation of Trustee, and shall promptly confirm to Bank the identity of the successor Trustee. Bank may require that notice of the death, incapacity, removal or resignation of Trustee be accompanied by evidence satisfactory to Bank.

4. Upon the death or incapacity of the Trustor (or in the case of co-Trustors, the death or incapacity of any co-Trustors) the Trustee will immediately notify Bank.

5. If for any reason the Deed of Trust is not enforceable against the Trust, this Agreement shall constitute a withdrawal by Trustor of the real property described in the Deed of Trust and my agreement as Trustor to be personally bound on the Deed of Trust to the same extent that I would be bound if I had signed the Deed of Trust individually. I will indemnify and hold Bank harmless from any demand, claim, suit or action brought by any person alleging that an act taken by Bank in reliance on this Loan Agreement and Direction to Trustee - Deed of Trust was unlawful, unauthorized, wrongful or void. In the event of any action to enforce this Agreement and Direction, Bank shall be entitled to costs and disbursements allowed by law, reasonable attorney fees in the event suit or action and/or any related appeal or petition for review.

TRUSTOR	<u>Theodore H. Gehrman</u>	DATE	<u>5/8/95</u>
TRUSTOR	<u>Muriel F. Gehrman</u>	DATE	<u>5/8/95</u>

I/we Theodore H. Gehrman and Muriel F. Gehrman,  
Trustee of the aforementioned Trust, hereby agree to all of the provisions in the Loan Agreement.

TRUSTEE	<u>Theodore H. Gehrman</u>	DATE	<u>5/8/95</u>
TRUSTEE	<u>Muriel F. Gehrman</u>	DATE	<u>5/8/95</u>

DIRECTION TO TRUSTEE - DEED OF TRUST

Pursuant to the power retained by the Trustor to revoke or amend the Trust in whole or in part and, if applicable, to give directions to the Trustee, I hereby direct the Trustee to execute on behalf of the Trust, a Deed of Trust in favor of Bank to secure a loan by the Bank of \$ 20,400.00

to Theodore H. Gehrman and Muriel F. Gehrman. I direct such action for myself, my heirs, personal representatives and assigns and on behalf of all beneficiaries of the Trust whose interest in the Trust is entirely dependent upon my exercise or non-exercise or my power of revocation.

I further direct that a copy of this Loan Agreement and Direction to Trustee, with all attachments, be made an exhibit to and incorporated into the Deed of Trust.

Dated this 8TH day of MAY, 1995.

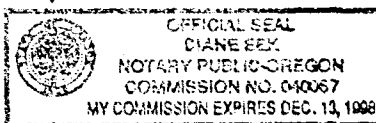
TRUSTOR	<u>Theodore H. Gehrman</u>
TRUSTOR	<u>Muriel F. Gehrman</u>

STATE OF OREGON )  
County of Klamath ) ss.

Signed or attested before me on this 8TH day of MAY, 1995, by Theodore H. Gehrman and Muriel F. Gehrman

Before me:

NOTARY PUBLIC	<u>Diane Eek</u>
STATE	<u>Oregon</u>
MY COMMISSION EXPIRES	<u>12-13-98</u>



\*Hereafter, unless otherwise indicated, the singular shall be used and shall include the plural.

# CONSENT OF BENEFICIARY OF TRUST

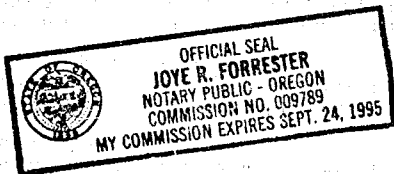
For myself and my issue, I hereby consent to the execution of the Deed of Trust by the Trustee of the aforementioned Trust.

BENEFICIARY, INDIVIDUALLY	Theodore H Gehrman <i>Theodore H Gehrman</i>
BENEFICIARY, INDIVIDUALLY	Muriel F Gehrman <i>Muriel F. Gehrman</i>
BENEFICIARY, INDIVIDUALLY	
BENEFICIARY, INDIVIDUALLY	

STATE OF OREGON )  
 County of KLAMATH ) ss.  
 Signed or attested before me on this 7 day of June,  
 1995, by Theodore H & Muriel F  
Gehrman

Before me:

NOTARY PUBLIC	<i>Joye R Forrester</i>
STATE	MY COMMISSION EXPIRES
<u>OREGON</u>	<u>Sept 24, 1995</u>



# SPOUSAL CONSENT

To be completed if spouse is not a co-trustor and trust may contain community property.

I, \_\_\_\_\_, being the spouse of the above-named Trustor, hereby acknowledge that I may have a community property and/or separate property interest in assets that have been transferred to the above-named Trust and hereby (i) confirm and ratify the creation of the Trust and the transfer of community property or separate property assets to the Trust, (ii) consent to Trustor signing above and to all acts to be performed by the Trustor and Trustee by virtue of this Loan Agreement and Direction, (iii) confirm and ratify all that Trustor and Trustee have already done which would have been authorized by this Consent, and (iv) agree that the foregoing actions and authority will benefit the community composed of Trustor and myself.

SPOUSE
DATE

STATE OF \_\_\_\_\_ )  
 County of \_\_\_\_\_ ) ss.  
 Signed or attested before me on this \_\_\_\_\_ day of \_\_\_\_\_,  
 19\_\_\_\_, by \_\_\_\_\_  
 Before me:

NOTARY PUBLIC	
STATE	MY COMMISSION EXPIRES

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ US Bank \_\_\_\_\_ the \_\_\_\_\_ 19th day  
 of \_\_\_\_\_ June \_\_\_\_\_ A.D., 19 95 at 10:33 o'clock A M., and duly recorded in Vol. \_\_\_\_\_ M95  
 of \_\_\_\_\_ Mortgages \_\_\_\_\_ on Page 15950

FEE \$30.00

By Bernetha G. Leisch County Clerk  
*Bernetha G. Leisch*