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After recording, return to:

U.S. Bank Retail Finance Center

P.O. Box 3176

Portland, Oregon 97208-3176

n den nied gegrege g In den nied gegrege g (LINE OF CREDIT INSTRUMENT) DEED OF TRUST



The second was a second of the COD-8285728-9041 (Space above this line for Recorder's use) Date: May 19. CYNTHIA KALLSTROM AND Grantor(8): MICHAEL D KALLSTROM Address: 2039 Lawrence St Klamath Falls OR 97601 CYNTHIA KALLSTROM AND BOTTOWER(S): MICHAEL D KALLSTROM Address: 2039 Lawrence St Beneficiary/("Lender"): U.S. Bank Klameth Falls OR 97601 Trustee: U.S. Bank Trust Company, National Association Address: P.O. Box 3176, Portland, OR. 97208-3176 Address: 111 S.W. Fifth Avenue 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 R187247 , located in County, State of Oregon, more particularly described as follows: LOT 12, BLOCK 7, HILLSIDE ADDITION TO THE CITY OF KLAMATH FALLS, IN THE COUNTY OF KLAMATH, STATE OF 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:

XI a. The payment of the principal, intereview), collection costs and any and significant and any and significant and any and significant and	rest credit report fees, late charges, all other amounts, owing under a r	attorneys' fees (including the with an original in	ng any on appeal or
Cynthia Kallstrom and Michael and payable to Lender on which the	D Kallstrom	An Albander and Company of the Compa	amount of

Cynthia Kallstrom and Michael D Kallstrom and payable to Lender, on which the last payment is due June 10, 2013 ("Borrower") , as well as the following

and any extensions and renewals of any length. The words "LINE OF CREDIT INSTRUMENT" do not apply to this Deed of

☐ b. The payment of all amount	, - Bruph 2.b. is also checked.	To not appli	y to this Deed (
Light The payment of all amounts that are	payable to I ender at any attended		
thereto ("Credit Agreement"), signed by	dated	ra <u>ibay</u> digayanya k	
( Credit Agreement"), signed by		, and any sides	
The Credit Agreement is for a soul		, and any riders	or amendment
THE Credit Agreement is for a serie			· · · · · · · · · · · · · · · · · · ·

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

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 during which Borrower must repay all amounts owing to Lender under the terms of the Credit Agreement. The length of the repayment period and the maturity date will depend on the amounts owed at the beginning of the repayment period, but it will end no

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 under the credit Agreement, the payment of an inverse credit report rees, rate charges, membership rees, attorneys rees (including any on appeal or review), collection costs and any and all other amounts that are payable to Lender at any time

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 and the performance with interest thereon, made to Reviews under Trust. This Deed of Trust also secures the repayment of any future advances, with interest thereon, made to Borrower under

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 52-E6530 OR 6/97

# 18382

## Vimes Ports 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

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)":

### KLAMATH IST FEDERAL

- 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. default.

#### WARNING

Unless I provide you with evidence of the insurance coverage as required by the Credit Agreement or this Deed of Trust, you may purchase insurance at my expense to protect your interest. This insurance may, but need not, also protect my interest. If the collateral becomes damaged, the coverage you purchase may not pay any claim I make or any claim made against me. I may later cancel this coverage by providing evidence that I have obtained property coverage elsawhere. elsawhere.

I am responsible for the cost of any insurance purchased by you. The cost of this insurance may be added to the Note or Credit Agreement. If the cost is added to the Note or Credit Agreement, the highest rate on the underlying Note or Credit Agreement will apply to this added amount. The effective date of coverage may be the date my prior coverage lapsed or the date I failed to provide proof of

The coverage you purchase may be considerably more expensive than insurance I can obtain on my own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

- 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 nocessary 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
- security for the Note of Credit Agreement, including, but not limited to, the following:

  a. If all or any part of the Property, or an interest in the Property, is sold or transferred;

  b. If I fail to maintain required insurance on the Property;

  c. If I commit waste on the Property or otherwise destructively use or fail to maintain the Property;

  A. If I dia.
- d. If I die; e. If I fail to pay taxes or any debts that might become a lien on the Property:

- f. 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; g. If I become insolvent or bankrupt; h. 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 i. 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 ralease of any hazardous substance.
- Ralease or any nazardous 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.
- 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 dobt 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
- 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 Proporty 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.

8,6 All of my representations, warranties, covenants and agreements contained in this Dead 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 Dead of Trust or acceptance by you of a deed in lieu of

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.

agree to all the terms of this Deed of Trust.	Mariano D Kolota
Grantot Grantin Kallman	Grantor Michael D Kalistrom
Cynthia Kailstrom	michael D Karlston
Grantor	Grantor
Grantor	-
INDIVIDUAL A	CKNOWLEDGMENT
OTATE OF ODEROW	
STATE OF OREGON ) ss.	May 19, 1998
County of Klamoth )	Date
0,, 01.	Kan to & Mark 15 Kan to
Personally appeared the above named	their voluntary act.
OFFICIAL SEAL	Before me:
CARMEN RABCOCK NOTARY PUBLIC-OREGON	Notary Public for Oregon
COMMISSION NO. 311702 MY COMMISSION EXPRES MAY 4, 2002	My commission expires: 5/4/2002
	/
REQUEST FO	R RECONYEYANCE
TO TRUSTEE:	
The undersigned is the holder of the Note or Credit Agreentire obligation evidenced by the Note or Credit Agreen secured by this Deed of Trust, have been paid in full. You	ement or both, as applicable, secured by this Deed of Trust. The nent or both, as applicable, together with all other indebtedness u are horeby directed to cancel the Note or Credit Agreement or ivered herewith, and to reconvey, without warranty, all the estate persons legally entitled thereto.
Date:	Signature:
STATE OF OREGON: COUNTY OF KLAMATH: ss.	
	American Title the lst day
	6 o'clock A. M., and duly recorded in Vol. M98 on Page 18381.
	Bernethe G. Letreb County Clark
FEE \$20.00	By Kathlun Kom