

When recorded return to:  
KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION  
540 HIGH ST.  
KLAMATH FALLS OR 97601

01/13/97 Page 1005

MERITCLE has recorded his instrument by request as an accommodation only. It has not examined it for regularity and sufficiency as to its effect upon the title to any real property it may be described therein.

State of Oregon

ATC 8012-965

Spec. More This Line For Recording Data

## LINE OF CREDIT TRUST DEED

(With Future Advances Clause)

**DATE AND PARTIES:** The date of this Deed of Trust (Security Instrument) is JANUARY 15, 1997 and the parties their addresses and tax identifications numbers, if required, are as follows:

**GRANTOR:** Joe L. Stone and Marion E. Stone, as tenants by the entirety

If checked, refer to the attached Addendum incorporated hereto, for additional Grantors, their signatures and acknowledgments.

**TRUSTEE:** WILLIAM L. BISHORE

**LENDER:** KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION

**2. CONVEYANCE:** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Grantor's performance under this Security Instrument, Grantor irrevocably grants, conveys and sells to Trustee, in trust for the benefit of Lender, with power of sale, the following described property:

Lot 35, ANDES PARK, in the County of Klamath, State of Oregon.  
Code 41 Sub 3909-160A Tr 4

The property is located in ... Klamath ... at ...  
1832 Summers Lane ... Klamath Falls ... Oregon 97603  
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all fixtures, improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

**3. MAXIMUM OBLIGATION LIMIT:** The total principal amount secured by this Security Instrument at any one time shall not exceed \$20,000.00. This limitation of amount does not include interest and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

**4. SECURITY DEBT AND FUTURE PAYMENT:** The term "Secured Debt" is defined as follows:  
A. Debt incurred under the terms of promissory note(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications, substitutions (You must specifically identify the debt(s) secured and you should include the final maturity date of each debt(s).)

Joe L. Stone and Marion E. Stone, as tenants by the entirety  
\$20,000.00  
January 1, 2019 Maturity date

DIRECTIONS - NON-MINERALS LINE OF CREDIT DEED OF TRUST (NOTARIZED)  
01100 Barbers Systems, Inc. St. Cloud, MN Form CCR-1001-01  
10-1991 13

Page 1005

J. R. Williams  
J. R. Williams

B. All future advances from Lender to note, contract, guarantee, or other Security Instrument whether or not signs this Security Instrument, each future obligations that are given others. All future advances and/or part may not yet be advanced. All of this Security Instrument. Nothing or future loans or advances in any

Grantor or other future obligations of Grantor to Lender under any promissory note, contract, guarantee, or other Security Instrument whether or not signed this Security Instrument is specifically referenced. If more than one person or entity signs this Security Instrument will secure all future advances and/or incurred by any one or more Grantor, or any one or more Grantor and/or future obligations secured by this Security Instrument even though all or future advance and/or her future obligations are secured as if made on the date in this Security Instrument shall constitute a commitment to make additional amount. Any such commitment must be agreed to in a separate writing.

C. All other obligations Grantor of including, but not limited to, all Grantor and Lender.

D. All additional sums advanced and the Property and its value and all this Security Instrument.

as to Lender, which may later arise, to the extent not prohibited by law, abilities for overdrafts relating to my deposit account agreement between

expenses incurred by Lender for insuring, preserving or otherwise protecting other sums advanced and expenses incurred by Lender under the terms of provide any necessary notice of the right of rescission with respect to any paragraph B of this section, Lender waives any subsequent security interest it is created by this Security Instrument (but does not waive the security paragraph A of this Section).

5. **DEED OF TRUST COVENANTS.** under the Secured Debt and this Security Instrument to make additional extensions in the Grantor's principal dwelling the interest for the debts referenced in part

Grantor agrees that the covenants in this section are material obligations of Grantor. If Grantor breaches any covenant in this section, Lender may reduce the credit limit. By not exercising either remedy on the Lender's part to later consider the event a breach if it happens again. Payments under the Secured Debt will be paid when due and in accordance with the terms of the Secured Debt and this Security Instrument.

Prior Security Interests. With regard to any other mortgage, deed of trust, security agreement or other lien document that creates a prior security interest or encumbrance on the Property, Grantor agrees to make all payments when due and to perform or extension of, nor to request any advance under any note or agreement secured by the lien document without Lender's prior written approval.

Claims Against Title. Grantor will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, the Property when due. Lender may require Grantor to provide to Lender are due and the receipts evidencing Grantor's payment. Grantor will defend and will not impair the lien of this Security Instrument. Grantor agrees to assign rights, claims or defenses Grantor may have against parties who supply labor or materials to maintain or improve the Property.

Property Conditions, Alterations and repairs that are reasonably necessary the Property. Grantor agrees that the prior written consent. Grantor will not exercise any of Lender's prior written consent. Grantor, and of any loss or damage to

the Property. Grantor will keep the Property in good condition and make all Grantor shall not commit or allow any waste, impairment, or deterioration of nature of the occupancy and use will not substantially change without Lender's permission. Grantor will not permit any change in any license, restrictive covenant or easement without notice to Lender of all demands, proceedings, claims, and actions against the Property.

Inspection. Grantor will inspect the Property at any reasonable time for the purpose of giving Grantor notice at the time of or before an inspection specifying a reasonable purpose for the inspection. Grantor will in no way rely on Lender's inspection.

Authority to Perform. If Grantor fails to perform any duty or any of the covenants contained in this Security Instrument, performs or cause them to be performed. Grantor appoints Lender as attorney in fact to sign Grantor's name in any instrument necessary for performance. Lender's right to perform for Grantor and Lender's failure to perform will not preclude Lender from under the law or this Security Instrument.

Leasehold, Condominiums, Planned developments. Grantor agrees to comply with the provisions of any lease if held. If the Property includes a unit in a condominium or a planned unit all of Grantor's duties under the covenants, by-laws, or regulations of the same.

Condemnation. Grantor will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or Grantor authorizes Lender to intercept assignments to Lender the proceeds of any or any part of the Property. Such prior instrument. This assignment of prior agreement or other lien document.

Insurance. Grantor shall keep Property associated with the Property due to periods that Lender requires. The Lender's approval, which shall not above, Lender may, at Lender's terms of this Security Instrument.

All insurance policies and renewals where applicable "loss payee clause" insurance. Lender shall have the right to give to Lender all receipts of paid the insurance carrier and Lender. Lender may file proof of loss if not made immediately by Grantor.

Unless otherwise agreed in writing or to the Secured Debt, whether or extend or postpone the due date of paid to the Grantor. If the Property resulting from damage to the Property immediately before the acquisition

shall be acceptable to Lender and shall include a standard "mortgage clause" and, "Grantor shall immediately notify Lender of cancellation or termination of the policy and renewals. If Lender requires, Grantor shall immediately renewals and renewals notices. Upon loss, Grantor shall give immediate notice to Lender may file proof of loss if not made immediately by Grantor.

All insurance proceeds shall be applied to the restoration or repair of the Property not then due, at Lender's option. Any application of proceeds to principal shall not the scheduled payment nor change the amount of any payment. Any excess will be by Lender. Grantor's right to any insurance policies and proceeds before the acquisition shall pass to Lender to the extent of the Secured Debt.

- F. REPORTS AND DOCUMENTS.** Grantor shall furnish Lender any documents or certifications of grants under this Security Instrument and Lender may inspect any of the Property at any time during normal business hours. Lender may inspect the Property and/or its contents and/or Grantor's personal property on the Property.
- 6. WARRANTY DEED.** This Security Instrument and has power to sell. Grantor also will be entitled to a copy of the Deed of Trust.
- 7. DUE BILLS.** Lender may sue and payable upon the creation and subject to the restrictions imposed by federal law (12 C.F.R. § 91) as applicable.
- 8. DEFAULT.** Grantor will be liable to Lender if the following occur:
- Fraud. Any Consumer Debt that is an open end home equity plan.
  - Any Consumer Debt payment when due;
  - Any action or inaction that adversely affects the Property or Lender's rights in the Property. This includes, but is not limited to, the following: (a) Grantor fails to maintain required insurance on the Property; (b) Grantor destructively uses or fails to maintain the Property such that the action or inaction adversely affects Lender's rights on the Property or otherwise fails to act and thereby causes a lien to be filed on the title to the Security Instrument; (c) a sole Grantor dies; (d) if more than one Grantor, any Grantor disenters from the security instrument domain; (e) a judgment is filed against Grantor and subjects Grantor and the Property to action that is filed against Lender and subjects Lender to action that is filed against Grantor and the Property and as a result, Lender's interest is adversely affected.
  - Executive Officers. Any Borrower indebted to Lender or another laws and regulations.
- 9. REMEDIES ON DEFAULT.** In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Grantor is in default. In some instances, federal and state law will require Lender to provide Grantor with notice and may establish time schedules for foreclosure actions.
- At the option of the Lender, all become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. Lender shall be entitled to, without limitation, the power to sell the Property.
- If there is a default, Trustee shall separate parcels at public auction title and interest of Grantor at the time, terms and place of sale effect at the time of proposed sale. Upon sale of the Property and to the extent not prohibited by law, Trustee shall make and deliver a deed to the Property sold which conveys absolute title to all money advanced for repairs, the principal and interest on the Property. The recitals in any deed of trust shall be prima facie evidence of the facts set forth therein.
- The acceptance by Lender of any or is accelerated or after foreclosure complete cure of any existing debt Lender's right to later consider the effect of a default if it happens again.
- 10. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** If Grantor breaches any covenant in this Security Instrument, Grantor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise paying off demand and will bear in effect as provided in the terms of the collecting, enforcing or protecting Secured Debt, paying the surplus, if any, to Grantor. Lender may purchase the Secured Debt as awarded by any court exercising jurisdiction under the United States Bankruptcy Code. Grantor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debt as awarded by any court exercising jurisdiction under the Bankruptcy Code. This Security Instrument shall remain in effect until released.
- 11. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9601 et seq., and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristic health, safety, welfare or environmental material," "toxic substances," "hazardous wastes" or "hazardous substances" defined as "hazardous substances" under any Environmental Law.
- Grantor represents, warrants and agrees that:
- Except as previously disclosed located, stored or released on the Property, no Hazardous Substance is or will be located, stored or released on the Property.
  - Except as previously disclosed and shall remain in full compliance with any applicable Environmental Law.
  - Grantor shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on or about the Property or if any Environmental Law concerning the Property. In such event, Grantor shall take all necessary remedial action in accordance with any Environmental Law.
  - Grantor shall immediately notify Lender if Grantor has reason to believe there is any pending or threatened investigation of any Hazardous Substance on the Property.

2008

- 12. ESCROW FOR TAXES AND OTHER TAXES.** Unless otherwise provided in a separate agreement, Grantor will not be required to pay to Lender any taxes or other taxes in escrow.
- 13. JOINED AND INDIVIDUAL LIABILITY.** Under this Security Instrument, joint and individual liability of Grantor for the Secured Debt and Grantor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Grantor, Grantor agrees to waive any rights that may prevent Lender from bringing any action or claim against Grantor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one action laws. The duties and benefits of this Security Instrument shall bind Grantor and Lender.
- 14. SEVERABILITY; INTERPRETATION.** This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the enforcement according to its terms. The captions and headings of the sections of this Security Instrument. Wherever used, the singular shall include the plural and the plural the singular. The captions of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.
- 15. SUCCESSOR TRUSTEE.** Lender, at Lender's option, may from time to time remove Trustee and appoint a successor formally by the designation in writing. The successor trustee, without succeeds to all the title, powers and duties conferred upon Trustee by this Security Instrument and applicable law.
- 16. NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one grantor will be deemed to be notice to all grantors.
- 17. WAIVERS.** Except to the extent prohibited by law, Grantor waives all appraisement and homestead exemption rights relating to the Property.
- 18. LINE OF CREDIT.** The Secured Debt includes a revolving line of credit. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.
- 19. APPLICABLE LAW.** This Security Instrument is governed by the laws as agreed to in the Secured Debt, except to the extent required by the laws of the jurisdiction where the Property is located, and applicable federal laws and regulations.
- 20. RIDERS.** The covenants and agreements of each of the riders checked below are incorporated into and supplement this Security Instrument. [Check all applicable boxes]

Assignment of Leases and Rents       Others

- 21. ADDITIONAL TERMS.** The terms of the agreement described in paragraph 4 provide that the interest rate or the time to time in accordance with rate or rates as described therein.

At the time we release the Deed of Trust, you will be charged a reconveyance fee of not less than \$5.00. You shall also pay any escrow or attorney costs.

**SIGNATURES:** By signing below, Grantor agrees to the terms and covenants contained in this Security Instrument and in any attachment. Grantor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.

(Signature) Joe L. Stone

(Date)

(Signature) Marlene M. Stone

(Date)

**ACKNOWLEDGMENT:**

STATE OF OREGON  
This instrument was acknowledged before me this 15<sup>th</sup> day of JANUARY - 1999  
in the County of Klamath  
by *[Signature]*  
Notary Public  
My Commission Expires: APRIL 1999  
[Signature]

(Notary Public)

STATE OF OREGON COUNTY OF KLAMATH	Filed for record in request of	merititle	he	20th	day
	of January 1999	at 3:20 o'clock P.M., and duly recorded in Vol.		2005	1999
FEE	\$25.00	on Page		Lucia Smith, County Clerk	
		by	<i>Kathleen Brown</i>		