

757252  
WHEATFIELD MILE MARKER  
SECTION

P.O. BOX 1481

Eugene, OR 97440-0481

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MTC 47510

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST  
Line of Credit Mortgage

DATED: MARCH 11, 1999

BETWEEN: EVELYN JANE HUNNIGUTT, also known as Evelyn O. Hunnicutt

whose address is 205 WASHINGTON ST. MERRILL, OR 97633

AND: SERVICE EMPLOYEES OF LANE COUNTY CREDIT UNION

whose address is 925 HARLOW ROAD SPRINGFIELD, OR 97477

(Trustor," hereinafter "Grantor")

Beneficiary ("Credit Union")

AND: AMERITITLE

("Trustee")

Grantor conveys to Trustee for benefit of Credit Union as beneficiary of Grantor's right, title, and interest in and to the following described real property (the "Real Property"), together with all添附物 or subsequently attached or willfully improvements or fixtures.

(Choice one of the following.)

- This Deed of Trust is part of the collateral for the Agreement. In addition, other collateral may be used to secure the Agreement.
- This Deed of Trust is the sole collateral for the Agreement.

Lot 5 in Block 19 of MERRILL, according to the official plat thereof  
on file in the office of the County Clerk of Klamath County, Oregon.

Grantor presently assigns to Credit Union (also known as Beneficiary) all of Grantor's right, title, and interest in and to all rents, revenues, income, issues, and profits (the "Income") from the Real Property described above.

Grantor grants Credit Union a Uniform Commercial Code security interest in the Income and in all equipment, fixtures, furnishings, and other articles of personal property owned by Grantor new or subsequently attached or affixed to the Real Property described above, together with all accessories, parts, or additions to, all replacements of and all substitutions for any of such property, and together with all proceeds, including insurance proceeds and refund of premium, from any sale or other disposition (the "Personal Property"). The Real Property and the Personal Property are collectively referred to as the "Property".

(Check if applicable)

- There is a mobile home on the Real Property, which is covered by this security instrument, and which is and shall remain:  
Please check  which is applicable:

 Personal Property Real Property

The term "Indebtedness" as used in this Deed of Trust, shall mean the debt to Credit Union described above, including interest thereon as described in the credit agreement, plus (a) any amounts expended or advanced by Credit Union to discharge Grantor's obligations hereunder, and (b) any expenses incurred by Credit Union or Trustee to enforce Grantor's obligations hereunder, with interest thereon at the rate of Agreement.

The credit agreement describing the repayment terms of the Indebtedness and any notes, agreements, or documents given to renew, extend or substitute for the credit agreement originally issued is referred to as "The Agreement." The rate of interest on the Agreement is subject to indexing, adjustment, reduction, or renegotiation.

The term "Borrower" is used in the Deed of Trust for the convenience of the parties, and use of that term shall not affect the liability of any such Borrower on the Agreement or create any legal or equitable interest in the Property in Borrower by reason of this Deed of Trust. Any Borrower who signs this Deed of Trust, but does not execute the Agreement: (a) is co-signing the Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust; (b) is not personally liable under the Agreement except as otherwise provided by law or contract; and (c) agrees that Credit Union and any other borrower hereunder may agree to extend, modify, forebear, release any collateral, or make any other accommodations or amendments with regard to the terms of this Deed of Trust or the Agreement, without notice to that Borrower, subject that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

- Line of Credit: A revolving line of credit which obligates Credit Union to make advances to Grantor. In the maximum principal amount at any one time of \$ \_\_\_\_\_ until the Agreement is terminated, or suspended or advances are made up to the maximum credit limit, and Grantor complies with the terms of the Agreement dated \_\_\_\_\_ (In Oregon, for purposes of ORS 88.110, the maximum term of the Agreement including any renewals or extensions is 30 years). Funds may be advanced by Credit Union, repaid by Grantor, and subsequently readvanced by Credit Union in accordance with the Agreement. Notwithstanding the amount outstanding at any particular time, this Deed of Trust secures the total Indebtedness under the Agreement. The unpaid balance of the line of credit under the Agreement will remain in full force and effect notwithstanding a zero outstanding balance on the line from time to time. Any principal advance under the line of credit that exceeds the amount shown above as the principal amount of the Agreement will not be secured by this Deed of Trust.

- Equity Loan: A single advance equity loan in the principal amount of \$12,320.00 under the terms of the Agreement dated Mar. 11, 1999. In Oregon, for purposes of ORS 88.110 the maximum term of the Agreement is 5 years from the date of the Agreement.) The Credit Union has no obligation to readvise funds held by Grantor without specific credit approval. This Deed of Trust secures the total Indebtedness under the Agreement.

This Deed of Trust, including the assignment of income and the security interest is given to secure payment of the Indebtedness and performance of all Grantor's obligations under this Deed of Trust and the Agreement and is given and accepted under the following terms:

1. Rights and Obligations of Borrower. Borrower/Grantor has various rights and obligations under this Deed of Trust. These rights and responsibilities are set forth in the following paragraphs: 1.1. Payments and Performance; 2. Possession and Maintenance of Property; 3. Taxes and Liens; 4. Property Damage Insurance; 5. Expenditure by Credit Union; 7. Condemnation; 6.2. Remedies; 10.1. Consent by Credit Union; 10.2. Effect of Consent; 11. Security Agreement, Financing Statements; 14 Actions Upon Termination; 14.5. Attorneys Fees and Expenses; 16.2. Unit Owner; 16.3. Power of Attorney; 16.3. Annual Reports; 16.3. Joint and Several Liability; 16.8. Waiver of Homestead Exemption; and 17.3. No Modifications.
- 1.1 Payment and Performance: Grantor shall pay to Credit Union all amounts secured by this Deed of Trust as they become due, and shall strictly perform all of Grantor's obligations.
2. Possession and Maintenance of the Property. Possession, until in default, Grantor may retain in possession and control of and operate and manage the Property and collect the income from the Property.
- 2.1 Maintenance: Grantor shall maintain the Property in first class condition and promptly perform all repairs and maintenance necessary to preserve its value.
- 2.2 Duty to Maintain: Grantor shall neither conduct or permit any nuisance nor commit or suffer any strip or waste on or to the Property or any portion thereof, including without limitation removal or alteration by Grantor of the right to remove any timber, minerals (including oil and gas), or gravel or rock products.
- 2.3 Removal of Improvements: Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Credit Union. Credit Union shall consent if Grantor makes arrangements satisfactory to Credit Union to replace any improvement which Grantor proposes to remove with one of at least equal value. "Improvements" shall include all existing and future buildings, structures, and parking facilities.
- 2.4 Credit Union's Right to Enter: Credit Union, its agents and representatives, may enter upon the Property at all reasonable times in attend to Credit Union's interest and to inspect the Property.
- 2.5 Compliance with Governmental Requirements: Grantor shall promptly comply with all laws, ordinances, and regulations of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Credit Union in writing prior to doing so and Credit Union's interest in the Property is not jeopardized.
- 2.6 Construction: If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any improvements on the Real Property, the improvements must be completed within six months from the date of this Deed of Trust and Grantor shall pay in full all costs and expenses in connection with the work.
- 2.7 Duty to Protect: Grantor may do all other acts, advised by him, that from the character and use of the Property are reasonably necessary to protect and preserve the security.
- 2.8 Construction Loan: If some or all of the proceeds of the loan creating the Indebtedness are to be used to construct or complete construction of any improvements on the Real Property, the improvements must be completed within six months from the date of this Deed of Trust and Grantor shall pay in full all costs and expenses in connection with the work.
- 2.9 Hazardous Substances: Grantor represents and warrants that the Property has not been and will not be, during the period this deed remains a lien on the Property, used for the creation, manufacture, storage, or disposal of any hazardous substance, as defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and other applicable federal and state laws or regulations and amendments. Grantor authorized Credit Union and its agents to enter upon the Property to make such inspections and tests as Credit Union may deem appropriate to determine compliance of the Property with this paragraph. Credit Union's inspections and tests shall be for Credit Union's purposes only and shall

INITIALS: \_\_\_\_\_

not fail for ten business days to make any duty or liability on behalf of any third party. Grantor agrees to indemnify and hold Credit Union harmless against any and all claims and losses including attorney fees resulting from a breach of this paragraph, which shall survive the payment of the indebtedness and satisfaction of this Deed of Trust.

### 3. Taxes and Liens.

3.1 Payment. Grantor shall pay when due before they become delinquent all taxes and assessments levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or rendered furnished to the Property. Grantor shall maintain the Property free of any liens having priority over or equal to the interest of Credit Union under this Deed of Trust, except for the lien of taxes and assessments due, except as provided in Subsection 3.2.

### 3.2 Right to Contest.

3.2.1 Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute or the obligation to pay, so long as Credit Union's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall, within 15 days after the lien arises or, if a lien is filed, within 15 days after notice of the filing, secure the discharge of the lien or deposit, with Credit Union, cash or a sufficient corporate surety bond or other security satisfactory to Credit Union in an amount sufficient to discharge the lien plus any rents, attorneys' fees, or other charges that could accrue as a result of a foreclosure or sale under the lien.

### 3.3 Evidence of Payment.

3.3.1 Evidence of Payment. Grantor shall upon demand furnish to Credit Union evidence of payment of the taxes or assessments and shall authorize the appropriate county official to deliver to Credit Union at any time a written statement of the taxes and assessments against the Property.

### 3.4 Notices of Construction.

3.4.1 Notices of Construction. Grantor shall notify Credit Union at least 15 days before any work is commenced, any services are furnished, or any materials are supplied to the Property if a construction lien could be asserted on account of the work, services, or materials, and the cost exceeds \$5,000 (if the Property is used as a residence). Grantor will on request furnish to Credit Union advance assurances satisfactory to Credit Union that Grantor can and will pay

the cost of such improvements.

3.5 Tax Reserves. Subject to any limitations set by applicable law, Credit Union may require Borrower to maintain with Credit Union reserves for payment of taxes and assessments, which reserves shall be created by advance payment or monthly payments of a sum estimated by Credit Union to be sufficient to produce, at least 15 days before due, amounts at least equal to the taxes and assessments to be paid. If 15 days before payment is due the reserve funds are insufficient, Borrower shall upon demand pay any deficiency to Credit Union. The reserve funds shall be held by Credit Union as a general deposit from Borrower and shall constitute a non-interest bearing debt from Credit Union to Borrower, which Credit Union may satisfy by payment of the taxes and assessments required to be paid by Borrower as they become due. Credit Union does not hold the reserve funds in trust for Borrower, and Credit Union is not the agent of Borrower for payment of the taxes and assessments required to be paid by Borrower.

### 4. Property Damage Insurance.

4.1 Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard all-risk extended coverage endorsements on a replacement basis for the full insurable value basis covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a mortgagee's loss payable clause in favor of Credit Union. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Credit Union. Grantor shall deliver to Credit Union certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of 10 days' written notice to Credit Union.

### 4.2 Application of Proceeds.

4.2.1 Application of Proceeds. Grantor shall promptly notify Credit Union of any loss or damage to the Property. Credit Union may make proof of loss if Grantor fails to do so within 15 days of the casualty. Credit Union may, at its election, apply the proceeds to the reduction of the indebtedness of the restoration and repair of the Property. If Credit Union elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Credit Union. Credit Union shall, upon satisfactory proof of such expenditure pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been paid out within 180 days after their receipt and which Credit Union has not committed to the repair or restoration of the Property shall be used to prepay first accrued interest and then principal of the indebtedness. If Credit Union holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

### 4.3 Uninsured Insurance at Sale.

4.3.1 Uninsured Insurance at Sale. Any unexpired insurance shall revert to the benefit of, and pass to, the purchaser of the Property covered by this Deed of Trust at any trustee's or other sale held under the provision contained within, or at any foreclosure sale of such Property.

### 4.4 Compliance with Prior Indebtedness.

4.4.1 Compliance with Prior Indebtedness. During the period in which any prior indebtedness described in Section 17 is in effect, compliance with the insurance provisions contained in the instrument evidencing such prior indebtedness shall constitute compliance with the insurance provisions under this Deed of Trust to the extent compliance with the terms of this Deed of Trust to division of proceeds shall apply only to that portion of the proceeds not payable to the holder of the prior indebtedness.

### 4.5 Association of Unit Owners.

4.5.1 Association of Unit Owners. In the event the Real Property has been submitted to unit ownership pursuant to a Unit Ownership Law or similar law for the establishment of condominiums or cooperative ownership of Real Property, the insurance may be carried by the association of unit owners in Grantor's behalf, and the proceeds of such insurance may be paid to the association of unit owners for the purpose of repairing or restoring the Property. If not so used by the association, such proceeds shall be paid to Credit Union.

### 4.6 Insurance Reserves.

4.6.1 Insurance Reserves. Subject to any limitations set by applicable law, Credit Union may require Borrower to maintain with Credit Union reserves for payment of insurance premiums, which reserves shall be created by monthly payments of a sum estimated by Credit Union to be sufficient to produce, at least 15 days before due, amounts at least equal to the insurance premiums to be paid. If 15 days before payment is due the reserve funds are insufficient, Borrower shall upon demand pay any deficiency to Credit Union. The reserve funds shall be held by Credit Union as a general deposit from Borrower and shall constitute a noninterest bearing debt from Credit Union to Borrower, which Credit Union may satisfy by payment of Borrower for payment of the insurance premiums required to be paid by Borrower.

### 5. Expenditure by Credit Union.

5.1.1 Expenditure by Credit Union. If Grantor fails to comply with any provision of this Deed of Trust, including the obligation to maintain the prior indebtedness in good standing as required by Section 17, Credit Union may at its option on Grantor's behalf, pay amounts to cure any default in the prior indebtedness and any amount that it expends in so doing shall be added to the indebtedness. Amounts so added shall be payable in accordance with the terms of the indebtedness. The rights provided for in this section shall be in addition to any other rights or any remedies to which Credit Union may be entitled on account of the default. Credit Union shall not by taking the required action cure the default so as to bar it from any remedy that it otherwise would have had.

### 6. Warranty; Defense of Title.

6.1.1 Title. Grantor warrants that it holds marketable title to the Property in fee simple free of all encumbrances other than those set forth in Section 17 or in any policy of title insurance issued in favor of Credit Union in connection with the Deed of Trust.

### 6.2 Defense of Title.

6.2.1 Defense of Title. Subject to the exceptions in the paragraph above, Grantor warrants and will forever defend the title against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's title or the interest of Credit Union or Trustee under this Deed of Trust, Grantor shall defend the action at Grantor's expense.

### 7. Condemnation.

7.1.1 Application of Net Proceeds. If all or any part of the Property is condemned, Credit Union may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness. 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, Credit Union, or Trustee in connection with the condemnation.

### 7.2 Proceedings.

7.2.1 Proceedings. If any proceedings in condemnation are filed, Grantor shall promptly notify Credit Union in writing and Grantor shall promptly take such steps as may be necessary to defend the action and obtain the award.

### 8. Imposition of Tax by State.

8.1.1 State Taxes Covered. The following shall constitute state taxes to which this section applies:

- A specific tax upon trust deeds or upon oil or any part of the indebtedness secured by a trust deed or security agreement.
- A specific tax on a Grantor which the taxpayer is authorized or required to deduct from payments on the indebtedness secured by a trust deed or security agreement.
- A tax on a trust deed or security agreement chargeable against the Credit Union or the holder of the Agreement secured.
- A specific tax on all or any portion of the indebtedness or on payments of principal and interest made by a Grantor.

### 9. Powers of Trustee.

9.1.1 Powers of Trustee. In addition to all powers of Trustee arising as a matter of law, Trustee shall have the power to take the following actions with respect to the Property upon the request of Credit Union and Grantor:

- Join in preparing and filing a map or plat of the Real Property, including the dedication of streets or other rights in the public.
- Join in granting any easement or creating any restriction on the Real Property.
- Join in any subordination or other agreement affecting this Deed of Trust or the interest of Credit Union under this Deed of Trust.

### 9.2 Obligations to Settle.

9.2.1 Obligations to Settle. Trustees shall not be obligated to notify any other party of a pending sale under any other trust deed or Deed, or of any action or proceeding in which Grantor, Credit Union, or Trustee shall be a party, unless the action or proceeding is brought by Trustee.

### 10. Transfer by Grantor.

10.1.1 Consent by Credit Union. Grantor shall not transfer or agree to transfer all or part of Grantor's interest in the Property without the prior written consent of Credit Union. Any attempt to transfer shall suffice the Credit Union to terminate and accelerate the indebtedness under this Deed of Trust.

10.1.2 "Sale or transfer" means the conveyance of real property or any right, title, or interest therein, whether legal or equitable, whether voluntary or involuntary, by outright sale, deed, assignment, sale contract, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract, or any other method of conveyance of real property interest. If any Donee is a corporation, transfer also includes a change in ownership of more than 25% of the voting stock of Borrower.

If Grantor or prospective transferee applies to Credit Union for consent to a transfer, Credit Union may require such information concerning the prospective transferee as would normally be required from the new loan applicant.

### 10.2 Effect of Consent.

10.2.1 Effect of Consent. If Credit Union consents to the transfer, that consent shall not constitute a consent to other transfers or a waiver of this section. No transfer by Grantor of Trust or the Agreement or waives any right or remedy under this Deed of Trust or the Agreement without relieving Grantor from liability. Grantor waives notice, presentation, and protest with respect to the indebtedness.

### 11. Security Agreement; Financing statements.

11.1.1 Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures, and Credit Union shall have all of the rights of a creditor under the Uniform Commercial Code of the State in which the Real Property is located.

11.2.1 Security Interest. Upon request by Credit Union, Grantor shall execute financing statements and take whatever other action is requested by Credit Union to perfect and continue Credit Union's security interest in the Income and Personal Property. Grantor hereby appoints Credit Union as Grantor's attorney in fact for the purpose of executing any documents necessary to perfect or continue this security interest. Credit Union may, at any time and without further authorization from Grantor, file copies or reproductions of this Deed of Trust as a financing statement. Grantor will reimburse Credit Union for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property and make it available to Credit Union within three days after receipt of written demand from Credit Union.

### 11.3 Mobile Homes.

11.3.1 Mobile Homes. If the Property includes mobile homes, motor homes, modular homes, or similar structures, such structures shall be and shall remain Personal Property or Real Property as stated above regardless of whether such structures are affixed to the Real Property, and irrespective of the classification of such structures for the purpose of tax assessments. The removal or addition of axes or wheels, or the placement upon or removal from a concrete base, shall not alter the characterization of such structures.

### 12. Recourse on Full Performance.

If Grantor pays all of the indebtedness when due and otherwise performs all the obligations imposed upon Grantor under this Deed of Trust and the Agreement, Credit Union shall execute and deliver to Trustee a request for full recourse, and shall execute and deliver to Grantor suitable statements of termination of any financing statement on file evidencing Credit Union's security interest in the Income and the Personal Property. Any nonrecourse fee or commitment fee required by law shall be paid by Grantor.

### 13. Possible Actions of Credit Union.

The Credit Union may take the following actions after Agreement under the circumstances listed below:

- Termination and Acceleration. The Credit Union may terminate your Agreement and require Grantor to pay the entire outstanding balance immediately, and charge interest on the unpaid balance.
- Grantor ceases to be in any fraud or material misrepresentation in connection with the Agreement. For example, if there are false statements or omissions on Grantor's application or financial statements.