

2007-011016
Klamath County, Oregon



06/19/2007 11:20:49 AM

Fee: \$46.00

This instrument was drafted under the supervision of and should be returned after recordation to:

Thrivent Financial for Lutherans
Attn: Church Loan Department, MS 1530
Dean Bussey, Esquire
625 Fourth Avenue South
Minneapolis, MN 55415-1624

Loan No. 200012660

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Trust Deed

1st 1048893
THIS TRUST DEED ("Trust Deed") is made and entered into as of June 18, 2007 by **KLAMATH LUTHERAN CHURCH**, an Oregon corporation ("Grantor"), whose address is 1175 Crescent Avenue, Klamath Falls, Oregon 97601; **FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON** ("Trustee"), whose address is 404 Main Street, Suite 1, Klamath Falls, Oregon 97601; and **THRIVENT FINANCIAL FOR LUTHERANS**, a Wisconsin corporation ("Beneficiary"), whose address is 625 Fourth Avenue South, Minneapolis, Minnesota 55415.

Beneficiary has loaned to Grantor the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) ("Loan"), as evidenced in a Promissory Note ("Note") of even date, together with interest at an annual rate set forth in the Note, both principal and interest of the Note being payable at the office of Beneficiary as more specifically set forth therein under which the final payment of principal and interest is due on or before July 1, 2022.

To secure the payment of the principal, interest and premium, if any, on the Note and to secure the performance by Grantor of each and every term, covenant, agreement and condition contained in the Note and this Trust Deed, Grantor conveys to Trustee in trust the property, which is not currently used for agricultural, timber or grazing purposes, in the County of Klamath, State of Oregon, as more particularly described in Exhibit A attached hereto.

Together with all appurtenances, easements, fixtures, and rents, existing or subsequently erected or acquired, all of which is collectively referred to as the premises.

Grantor hereby warrants to and covenants with Trustee for the benefit of Beneficiary that:

1. Grantor has good and indefeasible title to the premises in fee simple, free and clear of liens, charges and encumbrances and has the full right and authority to execute and deliver to Trustee the Note and this Trust Deed.

2. Grantor will keep the premises in good condition and repair; will not remove any building or improvement thereon, will not commit, suffer or permit any waste, impairment or deterioration of the property; and will keep the premises free and clear from all liens superior to the lien of this Trust Deed.
3. Grantor will keep the premises insured against loss or damage by fire, wind, storm or other hazard as may be required by Beneficiary, in the amount of not less than the Loan (and if the policies of such insurance contained in a condition or provision as to co-insurance, the building shall be kept insured for a sufficient amount to comply with such co-insurance condition). Policies of such insurance shall be carried with an A, A+, or A- rated company that has a financial size of VII or better as shown in a current Best's Key Rating Guide (or comparable guide book acceptable to Mortgagee if Best's should become unavailable), shall include a mortgage indemnity clause in favor of Beneficiary and shall be in such form as Beneficiary may require. All such policies and their renewals shall be delivered to Beneficiary. In the event of loss, Beneficiary is hereby authorized to collect the proceeds then due under the policies and to apply them, at the option of Beneficiary, either in reduction of the indebtedness secured or in restoration or repair of the damaged property.
4. Grantor will pay the indebtedness hereby secured and will pay annually to the proper officers all taxes and assessments which shall be levied or assessed on the premises or any part thereof, as well as all taxes and assessments which shall be levied or assessed under or by virtue of any law now or hereafter existing in the State of Oregon against Beneficiary, or Trustee, upon this Trust Deed, or the debts hereby secured, or upon Grantor's interest in the premises, and will procure and deliver to Beneficiary, at its office in Minneapolis, Minnesota, on or before the first day of May in each and every year, original or duplicate receipts of the proper officers for the payment of all such taxes or assessments levied or assessed on the premises, on this Trust Deed or the debt secured thereby or on the beneficial interest of Beneficiary.
5. Grantor will not, without the prior written consent of Beneficiary, sell or otherwise transfer the premises or any part thereof, or directly or indirectly, create or incur any indebtedness for borrowed money except for the indebtedness secured by this Trust Deed and any short term unsecured borrowings maturing within one year not to exceed ten percent (10%) of the original Loan provided that total debt does not exceed Three Thousand Five Hundred and No/100 Dollars (\$3,500.00) per confirmed, communing, contributing member.
6. If Grantor ceases to be affiliated with the Evangelical Lutheran Church in America, its successor, or another national Lutheran body recognized by Beneficiary as a body whose members may participate in the benefits of those organizations, then Beneficiary may declare the entire indebtedness to be immediately due and payable.

Provided if all or any part of the premises is condemned, damaged, taken or acquired, either temporarily or permanently, in any condemnation proceeding, by the right of eminent domain, by sale and in lieu of condemnation or eminent domain, or by the alteration of the grade of any street affecting the premises, Beneficiary may at its election require that all or any portion of the net

proceeds of the award be applied on the indebtedness. The net proceeds of the award shall mean the award after the payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Grantor, Beneficiary and Trustee in connection with the condemnation award. Until such time as the award or other payment is actually received by Beneficiary and applied to the indebtedness, Grantor shall continue paying interest on the unpaid principal balance of the Note at the rate of interest specified therein.

If the Grantor pays all of the indebtedness when due and otherwise performs all of the obligations imposed on Grantor under this instrument and the Note, Beneficiary shall execute and deliver to Trustee a request for full reconveyance. The reconveyance fee required by law shall be paid by Grantor.

The following shall constitute events of default: (1) failure of Grantor to pay any portion of the indebtedness when due; (2) failure of Grantor within the time required by this Trust Deed to make any payment for taxes, insurance or mortgage insurance premiums or for reserves for such payments or any other payment necessary to prevent filing of or discharge of any lien; (3) failure of Grantor to perform any other obligation under this Trust Deed.

On the occurrence of any event of default and at any time thereafter, Beneficiary may exercise any one or more of the following rights and remedies: (1) the right at its option by notice to Grantor to declare the entire indebtedness immediately due and payable; (2) with respect to all or any part of the premises, the right to foreclose by notice and sale by Trustee or by judicial foreclosure, in either case in accordance with applicable law; (3) the right, without notice to Grantor, to take possession of the property and collect all rents and profits, including those past due and unpaid, and apply the net proceeds over and above Beneficiary's costs, against the indebtedness; (4) the right in connection with any legal proceedings to have receiver appointed to take possession of all or any of the property, with the power to protect and preserve the property and to operate the property preceding foreclosure or sale and apply the proceeds, over and above costs of receivership, against the indebtedness.

If the Grantor shall fail or neglect punctually to keep and perform any of the covenants and conditions herein prescribed to be kept and performed, Beneficiary may on its part perform the same, and all costs and expenses by it incurred thereto shall be repaid by Grantor personally liable therefore to Beneficiary, on demand, with interest thereon at the annual rate set forth in the Note and until so repaid shall with interest be added to the debt hereby secured. In any such case of failure or neglect, the whole amount of the said principal sum remaining unpaid, together with interest, and all sums so paid by Beneficiary, shall, at the option of Beneficiary, be deemed to have become due without notice, and shall be collectible in the same manner as if the whole of said principal sum had been made payable at the time when any such default shall have occurred.

In exercising its rights and remedies, Beneficiary shall be free to sell all or any part of the property, together or separately, or to sell certain portions of the property and refrain from selling other portions. Beneficiary shall be entitled to bid at any public sale on all or any portion of the property.

Beneficiary shall give Grantor reasonable notice of the time and place of any public sale of any personal property or the time after which in a private sale or other intended disposition of the premises is to be made. Reasonable notice shall mean notice given at least 120 days before the time of sale or disposition.

A waiver by either party of a breach of a provision of this agreement shall not constitute waiver of or prejudice the party's right to otherwise demand strict compliance with that provision or any other provision. Election by Beneficiary to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under this Trust Deed after failure of Grantor to perform shall not affect Beneficiary's right to declare a default and exercise its remedies under this Trust Deed.

In the event suit or action is instituted to enforce any of the terms of this Trust Deed, Beneficiary shall be entitled to recover from Grantor such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. All reasonable expenses incurred by Beneficiary that are necessary at any time and Beneficiary's opinion for the protection of its interests or the enforcement of its rights, including without limitation the costs of searching records, obtaining title reports, surveyor's reports, attorneys' opinions or title insurance, and fees for Trustee, whether or not any court action is involved, shall become a part of the indebtedness payable on demand and shall bear interest at the annual rate of set forth in the Note from the date of expenditure until repaid.

*[The remainder of this page is intentionally left blank.
Signatures are found on the following page.]*

EXHIBIT A

LEGAL DESCRIPTION

LOTS 3, 4, 5, 6 AND 7 IN BLOCK 13 OF HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

Address: 1175 Crescent Avenue, Klamath Falls, Oregon 97603

Account Nos. R760858
R760821
R760849
R760830

Unofficial
Copy