

PEOPLES MORTGAGE CO.
600 N.E. Multnomah St.
Suite 850, Lloyd Building
Portland, Oregon 97232

431-154411-221-D2

This form is used in connection with
deeds of trust insured under the one-
to-four-family provisions of the
National Housing Act.

DEED OF TRUST

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9627030-34625

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THIS DEED OF TRUST, made this 7TH day of JANUARY, 1981,

between MICHAEL W. BROWN AND LINDA R. BROWN, HUSBAND AND WIFE

as grantor,

whose address is 1902 ACADEMY STREET, KLAMATH FALLS, OREGON 97601

State of Oregon,

PIONEER NATIONAL TITLE INSURANCE COMPANY, as Trustee, and

PEOPLES MORTGAGE COMPANY, A WASHINGTON CORPORATION, as Beneficiary.

The rights and obligations of the parties under this Instrument are expressly made subject to the provisions of the

Addendum attached to the Deed of Trust. In the event of any conflict between the provisions of this Addendum and

the printed provisions of this Instrument, the conditions of the Addendum shall control.

M.W.B.

Initial

KRB

Initial

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County of KLAMATH, State of Oregon:

THE SOUTHWESTERLY 100 FEET OF LOT 1, IN BLOCK 73 OF BUENA VISTA ADDITION, BEING THE PORTION OF SAID LOT 1 LYING SOUTHWESTERLY OF A LINE DRAWN 40 FEET SOUTHWESTERLY OF AND PARALLEL TO THE NORTHEASTERLY LINE OF SAID LOT 1, TO THE CITY OF KLAMATH FALLS, OREGON, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which said described property is not currently used for agricultural, timber or grazing purposes.

Together with all the tenements, hereditaments, and appurtenances now or hereafter thereunto belonging or in anywise appertaining, the rents, issues, and profits thereof, SUBJECT, HOWEVER, to the right, power, and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues, and profits.

TO HAVE AND TO HOLD the same, with the appurtenances, unto Trustee.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of Grantor herein contained and payment of the sum of THIRTY NINE THOUSAND SEVEN HUNDRED FIFTY AND NO/100 Dollars (\$ 39,750.00),

with interest thereon according to the terms of a promissory note, dated JANUARY 7, 1981, payable to Beneficiary or order and made by Grantor, the final payment of principal and interest thereof, if not sooner paid, shall be due and payable on the first day of FEBRUARY, 2011.

Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity: Provided, however, That written notice on an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

Grantor agrees to pay to Beneficiary in addition to the monthly payments of principal and interest payable under the terms of said note, on the first day of each month until said note is fully paid, the following sum:

- (II) interest on the note secured hereby; and
- (IV) amortization of the principal of the said note.
- Any deficiency in the amount of any such aggregate monthly payment shall, unless made good prior to the due date of the next such payment, constitute an event of default under this Deed of Trust.
3. In the event that any payment or portion thereof is not paid within fifteen (15) days from the date the same is due, Grantor agrees to pay a "late charge" of four cents (4c) for each dollar so overdue, if charged by Beneficiary.
4. If the total of the payments made by Grantor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes or assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Grantor shall be credited on subsequent payments to be made by Grantor, or refunded to the Grantor. If, however, the monthly payments made under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such ground rents, taxes, and assessments, or insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance with the provisions hereof, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Grantor all payments made under the provisions of (a) of paragraph 2, which the Beneficiary has not become obligated to pay to the Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, Beneficiary shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under said note and shall properly adjust any payments which shall have been made under (a) of paragraph 2.
- TO PROTECT THE SECURITY OF THIS DEED OF TRUST, GRANTOR AGREES:**
5. To keep said premises in as good order and condition as they now are and not to commit or permit any waste thereof, reasonable wear and tear excepted.
6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged, or destroyed thereon, and pay when due all costs incurred therefor, and; if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:
- (a) to commence construction promptly and in any event within 30 days from the date of the commitment of the Department of Housing and Urban Development, and complete same in accordance with plans and specifications satisfactory to Beneficiary;
- (b) to allow Beneficiary to inspect said property at all times during construction;
- (c) to replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) calendar days after written notice from Beneficiary of such fact, which notice may be given to the Grantor by registered mail, sent to his last known address, or by personal service of the same;
- (d) that work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) calendar days.
- The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.
7. Not to remove or demolish any building or improvement thereon.
8. To comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting said property.
9. To provide and maintain insurance against loss by fire and other hazards, casualties, and contingencies including war damage as may be required from time to time by the Beneficiary in such amounts and for such periods as may be required by the Beneficiary, with loss payable to the Beneficiary and Grantor, as their interests may appear, and to deliver all policies to Beneficiary, which delivery shall constitute an assignment to Beneficiary of all return premiums.
10. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum incurred by Beneficiary or Trustee.
11. To pay at least 10 days before delinquency all assessments upon water company stock, and all rents, assessments and charges for water, appurtenant to, or used in connection with said property; to pay, when due, all encumbrances, charges, and liens with interest, on said property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, fees, and expenses of this Trust.
12. To pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby.
13. To do all acts and make all payments required of Grantor and of the owner of the property to make said note and this Deed eligible for insurance by Beneficiary under the provisions of the National Housing Act and amendments thereto, and agrees not to do, or cause or suffer to be done, any act which will void such insurance during the existence of this Deed.
- IT IS MUTUALLY AGREED THAT:**
14. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may: Make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon the property for such purposes; commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest, or compromise any encumbrance, charge, or lien which in the judgment of either appears to be prior or superior hereto; and in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary therefor, including costs of evidence of title, employ counsel, and pay his reasonable fees.
15. Should the property or any part thereof be taken or damaged by reason of any public improvement or condemnation proceeding, or damaged by fire, or earthquake, or in any other manner, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, and shall be entitled at its option to commence, appear in, and prosecute in its own name, any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, damages, rights of action, and proceeds, including the proceeds of any policies of fire and other insurance affecting said property, are hereby assigned to Beneficiary, who may after deducting therefrom all its expenses, including attorney's fees, release any moneys so received by it or apply the same on any indebtedness secured hereby. Grantor agrees to execute such further assignments of any compensation, award, damage, and rights of action and proceeds as Beneficiary or Trustee may require.
16. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive its right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.
17. At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Deed and the note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the indebtedness, Trustee may: (a) consent to the making of any map or plat of said property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Deed or the lien of charge thereof; (d) reconvey, without warranty, all or any part of the property.
- The Grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof.
18. As additional security, Grantor hereby assigns to Beneficiary during the continuance of these trusts, all rents, issues, and profits of the property affected by this Deed and of any personal property, real or personal, which may be owned by Grantor, and payment of any indebtedness secured hereby.

26. Attorney's fees, as used in this Deed of Trust and in the Note, "Attorney's Fees" shall include attorney's fees, if any, which shall be awarded by an Appellate Court.

Signature of Grantor

55

9 day of January

Given under my hand and official seal the day and year last above written.

Notary Public in and for the State of Oregon

My commission expires

Do not record. To be used only when note has been paid.

Dated _____, 19____

STATE OF OREGON |
COUNTY OF | 33.

SINGLE FAMILY MORTGAGE PURCHASE PROGRAM ADDENDUM TO DEED OF TRUST

The rights and obligations of the parties to the attached Deed of Trust and the Note which is secured by the Deed of Trust are expressly made subject to this Addendum. In the event of any conflict between the provisions of this Addendum and the provisions of the Deed of Trust or Note, the provisions of this Addendum shall control.

1. The Borrower agrees that the Lender or its assignee may, at any time and without notice accelerate all payments due under the Deed of Trust and Note and exercise any other remedy allowed by law for breach of the Deed of Trust or Note if:

- The Borrower sells, rents or fails to occupy the Property; or
- The Borrower fails to abide by the agreements contained in the Affidavit, or if the Lender or the Division (Housing Division, Department of Commerce, State of Oregon) finds any statement contained in the Affidavit to be untrue.

The Borrower understands that the agreements and statements of fact contained in the Affidavit are necessary conditions for the granting of this Loan.

2. The Borrower agrees that no Future Advances will be made under the Deed of Trust without the consent of the Housing Division, Department of Commerce, State of Oregon.
3. The Borrower understands and agrees that the interest rate set forth on the Note shall be in effect only if this loan is purchased by the Housing Division, Department of Commerce, State of Oregon or its assigns. In the event that it is not so purchased, for any reason, the interest rate shall then increase to 15.375 % per annum and the monthly installment of principal and interest increased to \$ 514.76.

NOTICE TO BORROWER:

This document substantially modifies the terms of this Loan. Do not sign it unless you have read and understand it.

I hereby consent to the modifications of the terms of the Deed of Trust and Note which are contained in the Addendum.

Dated this 7TH day of JANUARY, 19 81.

Michael W. Brown
MICHAEL W. BROWN
(Borrower)

Linda R. Brown
LINDA R. BROWN
(Borrower)

STATE OF OREGON
County of Klamath ss.

On this 9 day of January, 1981,
personally appeared the above named Michael W. Brown & Linda R. Brown
and acknowledged the foregoing instrument to be
their voluntary act and deed. Before me.

[Signature]
Notary Public for Oregon
My Commission Expires: 8-5-83

(Seal)

After recording, mail to:

PEOPLES MORTGAGE CO.
500 N.E. Multnomah St.
Suite 850, Lloyd Building
Portland, Oregon 97232

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record at request of Klamath County Title Company
this 12th day of January A.D. 1981 at 12:20 o'clock PM., and
duly recorded in Vol. M-81, of Mortgages on Page 503.

EVELYN BIEHN, County Clerk
By [Signature]

Fee \$14.00

814-080 SFMPP 9B