

After recording please return to:

74642

Klamath First Federal
P. O. Box 5270
Klamath Falls, OR 97602

After Make Two Cuts for Recording Clerk

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on May 26, 1987, by and between Robert L. Bennett and Bernice M. Bennett, husband and wife, ("Borrower") The Trustors, and KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION, ("Lender") The Association, which is organized and existing under the laws of the United States of America, and whose address is 500 First Street, Klamath Falls, Oregon 97602. Borrower owes Lender the principal sum of Twenty-five Thousand One Hundred and no/100 Dollars (\$ 25,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full term of not more than 30 years. The Security Instrument secures to Lender for the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications, for the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument, and all the performance of Borrower's covenants and agreements under this Security Instrument and the Note for the purpose, Borrower irrevocably grants and conveys to Lender in trust, with power of sale, the following described property located in Klamath County, Oregon:

7.1 The repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to the paragraph below ("Future Advances").

FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby.

For A, Block 12, BUREAU TRACT ADDITION to the City of Klamath Falls, according to the official plat shown on file in the office of the County Clerk of Klamath County, Oregon.

What is the address of 500 First Street Klamath Falls
Oregon 97602 ("Property Address")
City

SIGNATURE. Within all the improvements are or hereafter created on the property, and all covenants, rights, appurtenances, with, whether mineral, oil and gas rights and profits, water rights and such and all fixtures are or hereafter a part of the property. All improvements and additions shall also be covered by this Security Instrument. All of the foregoing referred to in this Security Instrument as the "Property."

BORROWER'S COVENANTS. That Borrower is lawfully owner of the entire herein conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

This Security Instrument contains uniform covenants for national use and non-uniform covenants with limited variations in provisions to constitute a uniform security instrument covering real property.

1. **Payment of Principal and Interest, Prepayments and Late Charges.** Borrower shall promptly pay when due the principal and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Frontier Home Insurance.** Subject to applicable law or to a written order by Lender, Borrower shall pay to Lender as the due monthly payments are due under the Note, until the Note is paid in full, a sum of "Frontier" equal to one-twelfth of the yearly taxes and assessments which may attach priority over the Security Instrument (by yearly household payments or ground taxes on the Property, if any, less yearly household insurance premiums, and all yearly mortgage insurance premiums, if any. These items are called "frontier items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future frontier items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or State agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the frontier items. Lender may not charge for holding and applying the Funds, and may charge the account or certifying the frontier items. Lender may apply the Funds and apply the same to pay Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the debt secured by the Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due date of the frontier items, shall exceed the amount required to pay the frontier items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower in monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the frontier items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 12 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first, in late charges due under the Note, second, in prepayment charges due under the Note, third, in amounts payable under paragraph 2, fourth, to interest due and last, in principal due.

4. **Charge Lien.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach priority over this Security Instrument, and household payments or ground taxes, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them in time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower has agreed in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender. In connection with such discharge, the lien is, or discharge against enforcement of the lien is, a legal proceeding which in the Lender's opinion appears to prevent the enforcement of the lien or forfeiture of any part of the Property, or the release from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 30 days of the giving of notice.

5. **Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning and other causes within the term "extended coverage" and any other hazards for which Lender requires insurance. The insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to audit the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to replacement or repair of the Property damaged. If the insurance in respect to a structurally feasible and Lender's security is not covered, if the replacement or repair is not economically feasible or Lender's security would be covered, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any sums paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or replace the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds in principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2, or change the amount of the payments. If under paragraph 11 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender at the time of the sums secured by the Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property, Landscaping.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is in a recorded form, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the covenant and fee title shall not merge unless Lender agrees in the merger in writing.

7. **Protection of Lender's Rights in the Property, Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property, or there is a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appointing or consenting to appoint reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts advanced by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree in other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for consequential loss of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the abandonment offers to make or cause to be made a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, in its option, either as reimbursement or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds as principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Discharged, Performance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any borrower in respect of this instrument shall not operate to release the liability of the original Borrower or Borrower's successors or assigns. Lender shall not be required to commence proceedings against any successor in interest or assignee of the sums secured by this Security Instrument or to commence proceedings against any successor in interest or assignee of the sums secured by this Security Instrument by reason of any default made by the original Borrower or Borrower's successors or assigns. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or prejudice the exercise of any right or remedy.

11. Successors and Assigns Bound, Joint and Several Liability, Co-obligors. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note (as a co-signer of this Security Instrument only as mortgage, guarantor and assignor) shall be bound by the terms of the Note (as a co-signer of this Security Instrument only as mortgage, guarantor and assignor) and shall be bound by the terms of this Security Instrument, and he agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with respect to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Late Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum late charges, and that law is finally interpreted to fix the interest or other late charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such late charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or operation of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may exercise any remedies permitted by paragraph 14. If Lender exercises this option, Lender shall give the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law, Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one unaltered copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may make any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Foreclose. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of (a) 5 days or such other period as applicable law may specify for reinstatement before sale of the Property pursuant to any power of sale contained in this Security Instrument, or (b) entry of a judgment enforcing this Security Instrument. These conditions are that Borrower (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligation secured hereby shall remain fully effective as if an acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

17. **Acceleration.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument that will give to acceleration under paragraphs 11 and 12 and applicable law, provided, however, that the notice shall specify: (a) the default; (b) the action required to cure the default; and (c) that the notice is given to Borrower, by which the default must be cured and all that follow to cure the default on or before the date specified in the notice may result in acceleration of the loan secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to redeem the Property to acceleration and sale. If the default is not cured prior to the date specified in the notice, Lender may require immediate payment in full of all sums secured by this Security Instrument without further demand and may exercise the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to reasonable attorney's fees and costs of this certificate.

18. **Power of Sale.** Lender shall exercise or cause Lender to exercise a written notice of the acceleration of the loan and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time provided by applicable law, Lender, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any other place of sale previously scheduled sale. Lender or its designee may purchase the Property at any sale.

19. **Trustee's Duties.** The trustee in the Lender's deed conveying the Property without any covenant or warranty, expressed or implied. The trustee in the Lender's deed shall be prima facie evidence of the truth of the statements made therein. Lender shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Lender's and attorney's fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

20. **Lender in Possession.** Upon acceleration under paragraph 17 or abandonment of the Property, Lender or person, or agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, Lender's fees, premiums on Lender's bonds and reasonable attorney's fees, and then to the sums secured to the Security Instrument.

21. **Insurance.** Upon payment of all sums secured by this Security Instrument, Lender shall require Borrower to maintain the Property and shall surrender this Security Instrument and all notes evidencing debt secured to this Security Instrument to Lender. Lender shall convey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any maintenance costs.

22. **Substitution of Trustee.** Lender may from time to time remove Trustee and appoint a successor Trustee or one previously appointed hereunder. Without conveyance of the Property, the successor Trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

23. **Use of Property.** The Property is not currently used for agricultural, timber or grazing purposes.

24. **Attorney's Fees.** As used in this Security Instrument and in the Note, "attorney's fees" shall include any attorney's fees awarded in an appellate court.

25. **References to this Security Instrument.** If one or more orders are contained by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such order shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the orders were a part of this Security Instrument. (Check applicable boxes)

- | | | |
|--|---|---|
| ☐ Adjustable Rate Rider | ☐ Creditors' Rights Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | |
| ☐ Other(s) (specify): | | |

26. **SIGNING BELOW.** Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any orders contained by Borrower and recorded with it.

Robert L. Howard
Robert L. Howard (S)

Bonnie M. Howard
Bonnie M. Howard (S)

(Sign Below This Line for Subsequent)

STATE OF MISSISSIPPI
COUNTY OF CLAY

The foregoing instrument was acknowledged before me this May 25, 1987

by Robert L. Howard and Bonnie M. Howard (S)

My Commission expires 7-5-90

(Special Acknowledgment)

[Signature]
Notary Public

This instrument was prepared by Clayton First Federal Savings and Loan Association

5338

SOURCE OF ORIGIN: COUNTY OF KILMURRAY

First the record is made of Mountain State Company for 1901 to 1902 A.D. 19 11 at 11:00 o'clock 1 M. and duly recorded in Vol. 100 of 100 100 on Page 100

FILE 100 100 By 100 100 100