

74965

More recording places available  
Vol 151 - Page 8822

Elanco Park Federal Savings & Loan  
P. O. Box 520  
Elanco Park, OR 97028

SEARCHED SERIALIZED INDEXED FILED

## DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on May 21,  
1985, by and between David James L. Johnson, a single man,

"Borrower," the maker,

ELANCO PARK FEDERAL SAVINGS AND LOAN ASSOCIATION, which organization and entity  
hereinafter referred to as "Lender," the holder of the Note, and whose address is:  
540 Main Street, Elanco Park, Oregon 97028.

Borrower is Lender the principal sum of Twenty-Five Thousand and no/100.

Dollars (\$25,000.00). The Lender is evidenced by Borrower's note  
dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the first date of the  
first payment, due and payable on May 15, 1985. The Security Instrument  
entitles to Lender (a) the repayment of the debt evidenced by the Note, with interest, and all accrued, exercised and  
conditioned for the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of the  
Security Instrument and (b) the performance of Borrower's covenants and agreements under the Security Instrument and  
the Note. For the purpose, Lender hereby grants and conveys to Borrower in trust, with power of sale, the following  
described property located in County, Oregon:

(a) The repayment of any future advances, with interest thereon, made to Borrower  
by Lender pursuant to the paragraph below ("Future Advances").  
MISCELLANEOUS. Upon request of Borrower, Lender, at Lender's option prior to  
full reconveyance of the property by Lender 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  
second priority.

The South 10 feet of Lot 4, described with the SW 1/4 of the SW 1/4 corner of the alley of  
Lot 3, and the South 10 feet of Lot 5 and all of Lot 16, Block 38, ENTITLED  
TO THE CITY OF EUGENE 1915, in the County of Lane, State of Oregon.

See attached Adjustable Rate Loan Rider note a page herein.

Address of Lender:  
1911 Englehardt Avenue  
Court  
Cottage Falls  
Oregon  
97424  
("Property Address")

Borrower states all the improvements now or hereafter erected on the property, and all easements, rights  
of way, mineral, water, irrigation, reversionary and gas rights and profits, water rights and stock and all fixtures now or  
hereafter part of the property. All improvements and fixtures shall be deemed to be included by the Security Instrument. All of the  
foregoing is referred to as the Security Instrument or the "Property."

Borrower covenants that Borrower is lawfully entitled to and has the right to grant  
and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower covenants  
and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

This Security Instrument contains certain covenants for mutual use and non-enforcement covenants with  
respect thereto, which are contained in the instrument covering the property.

RECORDED IN THE PUBLIC RECORDS ON THIS DAY OF MAY, 1985

1985 PAGE  
8822

**DEFINITION OF SECURITY INSTRUMENT.** ~~DEFINITION OF SECURITY INSTRUMENT AND SECURITY AGREEMENT.~~ ~~DEFINITION OF SECURITY INSTRUMENT AND SECURITY AGREEMENT.~~

1. **Payment of Principal and Interest, Premiums and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any premium and late charges due under the Note to Lender or to another Person holding the Note on behalf of Lender. Borrower shall pay to Lender on the day immediately subsequent to the date of the Note a post or full, a sum of money equal to the amount of any early fees and assessments which may accrue priority over the Security Instrument, the amount of payments or prepayments on the Property, if any, 10% yearly accrued insurance premiums, and such yearly insurance premiums, if any. These items are called "Interest Items". Lender may estimate the amount due on the basis of current rates and current costs of insurance which are incurred or guaranteed by a holder of the Note or which are payable by a holder of the Note to Lender on behalf of Lender or applicable to the Note or which are payable by a holder of the Note to Lender on behalf of Lender.

The Funds shall be held by an escrowee or escrowor of which are incurred or guaranteed by a holder of the Note or which are payable by a holder of the Note to Lender on behalf of Lender to whom the Funds are paid the escrow fees, which Lender may not charge for holding and applying the Funds, including the amount or percentage Lender is asked such a charge. Borrower and Lender may agree to setting this interest and be paid on the Funds. Other as agreement is made or applicable law requires amounts to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall have the right to disburse, without charge, all amounts remaining of the Funds showing credit and debit in the Funds and for the purpose for which each debt in the Funds was made. The Funds are principal and additional amounts for the same reasons as the Security Instrument.

If the amount of the Funds held by Lender, together with the interest, credits, premiums of Funds, previous prior to the due date of the note, shall exceed the amount required to pay the escrow fees when due, the excess shall be in Borrower's opinion, either primarily applied to Borrower or credited to Borrower as secondary payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow fees when due, Borrower shall pay to Lender any amounts necessary to make up the deficiency in one or more payments as determined by Lender.

These payments in full of all sums received by the Security Instrument, Lender shall promptly return to Borrower any Funds held by Lender. If under paragraph 3 of the Property is sold or acquired by Lender, any Funds held by Lender at the time of this instrument prior to the sale of the Property or its acquisition by Lender, are Funds held by Lender at the time of application, is a credit against the sums received by the Security Instrument.

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

4. **Charge Lien.** Borrower shall pay all taxes, assessments, license fees and expenses attributable to the Property which may accrue priority over the Security Instrument, and payment of general taxes, if any, Borrower shall pay those expenses as the amounts provided in paragraphs 1, 2 or 3 or as they occur. Borrower shall pay there on time from the time of payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under the paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payment.

Borrower shall promptly discharge any lien which has priority over the Security Instrument unless Borrower has agreed to waive the payment of the obligation incurred by the lien to another creditor or Lender, the amount of a post date or before, or before, upon conversion of the lien to legal proceedings which is the Lender's option, agrees to prevent the enforcement of the lien or forfeiture of any part of the Property, or for release from the holder of the lien as agreement satisfactory to Lender authorizing the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may accrue priority over the Security Instrument, Lender may give Borrower a notice terminating the lien. Borrower shall furnish the Lender with one or more of the notices or both above action. It does not terminate the property.

1. **Pledged Securities.** Borrower shall keep the Investments and savings or however invested in the Property unpledged against loan in the Note and shall retain the title thereto during the period the Lender retains the security interest. This security shall be maintained in the investments and for the period the Lender retains the security interest regarding the investment shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and coverage shall be acceptable to Lender and shall include a standard coverage claim form. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender at least 45 days written notice of cancellation of any policy or renewal of coverage by Borrower. Lender and Borrower shall have the right to hold the policies and renewals. If Lender requires, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make good of loss from such policies by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance premium shall be applied to maintenance or repair of the Property, if the insurance or repair is economically feasible and Lender's security is not honored. If the insurance or repair is not economically feasible or Lender's security would be honored, the insurance premium shall be applied to the sums required by the Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not appear within 30 days of notice from Lender that the insurance carrier has failed to render a claim, then Lender may collect the insurance premium. Lender may sue the person or persons responsible for the damage or to pay sums received by the Security Instrument, whether or not due. The filing of suit will begin after 90 days.

Under Lender and Borrower after giving notice setting any type of premium to premium and not exceed of one month of the monthly premium and not less than paragraphs 1 and 2 or change the amount of the premium. If any premium is to be paid by Lender, Lender's right to any insurance policies and premiums relating to the Property prior to the premium and paid to Lender to the extent of the sums received by the Security Instrument prior to the premium.

6. **Permitting and Maintenance of Property Lienholders.** Borrower shall not do any act which may reasonably damage the Property, allow the Property to deteriorate or commit waste. If the Security Instrument is a mortgage or deed of trust with the power of sale, and if Borrower assigns or sells the Property, the Assignee and Successor in title Lender shall remain as the Lender in the Note.

2. **Permitting of Lender's Rights in the Property.** **Mortgage Lienholder.** If Borrower fails to perform the covenants and agreements contained in the Security Instrument or there is a bankruptcy petition for consideration of the previous four months from Lender, Lender may pay for whatever is necessary to protect the interest in the Property and Lender's rights in the Property. Lender's actions may include paying any taxes imposed by a tax which has priority over the Security Instrument, applying to court, paying expenses of removal, sale and cleanup of the Property in such respects. Although Lender may take action under the Note or Lender may not have a right to do so, Lender may exercise the Security Instrument, Lender may take any action which Borrower may have the right to do under the Note or Lender may exercise the rights of a defendant at the Note and may be liable for damages to Lender or Borrower.

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

**L. Inspection.** Lender or its agent may make reasonable entries and inspections of the Property. Lender shall give Borrower notice at the time of or prior to any inspection specifying the particular date for the inspection.

**M. Condemnation.** The proceeds of any award or claim for damage, direct or consequential, or connection with any condemnation or other taking of any part of the Property, or for compensation in lieu of condemnation, are hereby deposited and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sum required 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 sum required by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (1) the total amount of the sum required immediately before the taking divided by (2) 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 conditions referred to under an award or claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice given, Lender is authorized to enter and apply the proceeds, at his option, either to restoration or repair of the Property or to the sum required by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not exceed or postpone the due date of the monthly payments referred to in paragraphs I and J or change the amount of such payment.

**N. Borrower Not Required Performance By Lender Nor a Holder.** Exercise of the power of sale contained in any provision of administration of the sum required by the Security Instrument granted by Lender to any successor in interest of Borrower, shall not operate to reduce the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify any provisions of the note secured by this Security Instrument by reason of any transfer made to Borrower or Borrower's successors in interest. Any further note by Lender is cumulative and right or remedy shall not be subject to or qualify the existence of any right or remedy.

**O. Successors and Assigns; Sales and General Lender's Consents.** For covenants and agreements of the Security Instrument the Lender and each the successor and assigns of Lender and Borrower, subject to the provisions of paragraph P, Borrower's covenants and agreements shall be just and several. Any Borrower who accepts this Security Instrument but does not execute the Note (if it is required by this Security Instrument) may so mortgage, grant and convey the Borrower's interest in the Property under the terms of the Security Instrument, this is not personally obligated to pay the sum required by the Security Instrument and to agree that Lender and any other Borrower may agree to extend credit, forgive or make any accommodations with respect to the terms of this Security Instrument or the Note without the Borrower's consent.

**P. Rent Charge.** If the sum required by the Security Instrument is subject to a fee which will constitute a charge, and that fee is duly interpreted so that the interest or other fees charged collected or to be collected in connection with the sum exceed the permitted limit, then the any such fees charged shall be reduced to the amount necessary to reduce the charge to the permitted limit, and all fees 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 partial prepayment without any premium being paid under the Note.

**Q. Liquidation After Lender's Sale.** If collection or exercise of applicable laws in the state of residence and/or place of the Note or the security instrument require that Lender or a spouse, may make immediate payment in full of all sums required by the Security Instrument and any interest and penalties permitted by paragraph M. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph M.

**R. Notice.** Any notice to Borrower provided for in the Security Instrument shall be given by advertising, or by mailing it by first class mail using registered or certified mail or another method. The notice shall be directed to the Property. Address or any other address Borrower designated by notice to Lender. Any notice to Lender shall be given by the same method to Lender's address listed herein or any other address Lender designated by notice to Borrower. Any notice provided for in the Security Instrument shall be directed to Borrower or Lender when given as provided in the paragraph.

**S. Governing Law; Sovereignty.** 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 or clause of the Security Instrument or the Note violates any applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given effect without the conflicting provision. In this regard the provisions of the Security Instrument and the Note shall control.

**T. Borrower's Copy.** Borrower shall be given one undated copy of the Note and of the Security Instrument.

**U. Transfer of the Property or a Deed-in-Lieu in Foreclosure.** If all or any part of the Property or any portion of it is sold or transferred for a bona fide amount of Borrower's debt as consolidated and Borrower is not a minor person without Lender's prior written consent, Lender may, at his option, require immediate payment in full of all sums required by this Security Instrument. However, the option shall not be exercised by Lender if exercise is inconsistent with the intent of the parties to the Security Instrument.

**V. Lender's Right to Retain.** If Lender makes certain conditions, Borrower shall have the right to have extensions of the Security Instrument for a maximum of one year or the earlier of (1) if Lender makes other arrangements for non-compliance before sale of the Property, payment of any power of sale contained in the Security Instrument, or the entry of a judgment concerning the Security Instrument. These conditions are that Borrower not pay Lender at time which there would be due under this Security Instrument and the Note and/or acceleration caused by cause any default of any other covenants or agreements, (2) pay all expenses incurred in enforcing the Security Instrument, including, but not limited to, attorney's fees, costs, and all other such expenses as Lender may reasonably expense to resolve the title of the Security Instrument, Lender's right to the Property and Borrower's obligation to pay the sum required by the Security Instrument shall continue unchanged. Upon cancellation by Borrower, the Security Instrument and the subsequent extensions shall be void except in case of non-compliance by Borrower, the right to retain shall not apply to the subsequent extensions under paragraph U for 120 days.

85

**20. Security Interest.** Lender shall give notice to Trustee prior to making available to Borrower, funds or any other amounts loaned by Lender to Borrower under the terms of the Security Instrument, unless otherwise provided otherwise. The notice shall describe the amount, the date when it was made available to Borrower, the date when the notice is given to Borrower, by which the amount may be recovered by Lender from the Trustee, and the date when the notice is given to Borrower, by which the amount may be recovered by the Security Instrument and sale of the Property. The notice shall further advise Borrower of the right to recover after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is cured or is before the date specified in the notice, Lender shall be entitled to its option, upon completion of such payment in full of all costs incurred by the Security Instrument, either to defer and not assert the power of sale and any other remedies provided by applicable law. Lender shall be entitled to collect all expenses incurred in recovering the remedies provided in this paragraph 20, including, but not limited to, reasonable attorney's fees and costs of collection.

If Lender initiates the power of sale, Lender shall commence or cause Trustee to commence a written notice of the commencement of an event of default and of Lender's election to dispose of the Property by the sale 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 to the owner, provided by applicable law to Borrower and to other persons provided by applicable law. After the time specified by applicable law, Borrower, 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 manner determined. Borrower may prepay and/or sell any part of the Property by public announcement at the same place of any generally established sale. Lender or the buyer may purchase the Property at any sale.

Borrower shall deliver to the previous Tenant's deed conveying the Property without any encumbrance or mortgage, executed or finalized. The record of the Tenant's deed shall be prima facie evidence of the date of the conveyance. Borrower shall apply the proceeds of the sale to the following order of priorities and the rest, including those not otherwise provided herein, shall be held in trust for the Security Instrument:

21. Lender in Possession. Upon acceleration under paragraph 20 or non-compliance of the Property, Lender to possess, by agent or by judiciously appointed nominees shall be entitled to enter upon, take possession of and occupy the Property and to make the same fit for disposition. Costs and expenses of Lender in the removal and/or application due to payment of the costs of acceleration of the Property and collection of rents, including, but not limited to, removal of trees, possession are recoverable from and includible among legal fees, and those at the rates set forth by the Security Instrument.

22. Recovery of Rents. Upon payment of all sums required by the Security Instrument, Lender shall request Trustee to repossess the Property and shall surrender the Security Instrument and of rents, including late payments by the Security Instrument to Lender. Trustee shall release the Property without costs and without charge to the person or persons legally entitled thereto. Such persons or persons shall pay any incidental costs.

23. Satisfaction Notice. Lender may file claim in state court, Trustee and agent's reasonable expenses to any action approved by Borrower. Without acceptance of the Property, the previous trustee shall account to all the date, place and source of funds received by applicable law.

24. Chain of Title. The Property is not expressly used for agricultural, mining or grazing purposes.

25. Assessment Tax. As used in this Security Instrument and in the State "Inventory" form, shall include any amount from property tax assessment.

26. Seller and the Security Instrument. Seller and Buyer are bound by Borrower and recorded together with the Security Instrument. The signature and agreement of each party and of any individual may and shall amend and supplement the covenants and agreements of the Security Instrument as if the addition were a part of the Security Instrument. (Notarized signatures)

Agricultural Sale Order

Construction Sale

Land Purchase Order

Residential Purchase Order

Prepaid Rent Disbursement, etc.

By \_\_\_\_\_ Date \_\_\_\_\_

  
John David Darr  
John David Darr

STATE OF \_\_\_\_\_ COUNTY OF \_\_\_\_\_

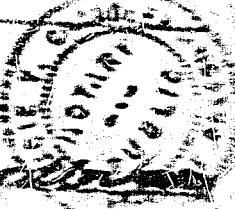
SIGNED IN THE PRESENCE OF

CLERK OF \_\_\_\_\_

AT THE CITY OF \_\_\_\_\_

ON THE DAY OF \_\_\_\_\_, A.D. 19\_\_\_\_

  
John David Darr



8825

# ADJUSTABLE RATE LOAN RIVIER

~~WHERE THE SECURITY INSTRUMENT INCLUDES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. IF INCREASES IN THE PAYMENT RATE WILL RESULT IN HIGHER PAYMENTS, DECREASES IN THE PAYMENT RATE WILL RESULT IN LOWER PAYMENTS.~~

This Note is made the 21<sup>st</sup> day of September, 1981, and is made and entered into to be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the undersigned given to the undersigned the "Borrower" to secure Borrower's 1981 ADJUSTABLE RATE MORTGAGE (the "Loan").

The "Lender" of the same date (the "Note") and contains the property described in the Security Instrument as 1981 ADJUSTABLE MORTGAGE, 11000 STATE AVENUE, ST. JOSEPH, MI 49085.

## TERMS AND CONDITIONS

DEFINITIONS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

### A. INTEREST RATE AND MONTHLY PAYMENT CHARGES

The Note has an "Initial Interest Rate" of 11.75%. The Note interest rate may be increased or decreased on the 1st day of the month beginning on September, 1981, and on the day of the month every 12 months thereafter.

Interest is to be charged on the unpaid principal balance of the Note at the rate called the "Rate". The interest rate will be determined as follows:

(a) 1/2 of the current Prime Rate, Plus or Minus One-half Percent, National Average for all Major Types of Loans" published by the Federal Home Loan Bank Board.

(b) 0%

Interest will be charged on the unpaid principal balance of the Note at the rate determined under Option (a) or Option (b) above.

(c) 0% There is no minimum limit on changes in the interest rate at any Change Date.

(d) 0% The interest rate cannot be changed by more than .100 percentage points at any Change Date. If there is any rate change, the amount of Borrower's monthly payment will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

### B. PAYMENT CHARGES

It could be that the fees required by the Security Instrument is subject to a law which sets maximum fees charges and that law is interpreted so that the interest or other fees charges collected or to be collected is inconsistent with the maximum permitted limits. If this is the case, then (A) any such fees charge will be reduced by the amount necessary to bring the charges in compliance with the maximum limit, and (B) any amounts collected from Borrower which exceed of 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.

### C. PRIME LINES

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a law which has priority over this Security Instrument, Lender may send Borrower a notice identifying that law, describing that priority and with regard to that law as provided in paragraph 4 of the Security Instrument or shall provide such an agreement in a form satisfactory to Lender advertising that law to the Security Instrument.

### D. TERMINATION OF THIS SECURITY

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (A) a new or different Note instrument, or (B) an instrument (or portion of) the Note as the amount of any one transfer does not exceed the amount of the original Note, or (C) a combination of both (A) and (B), or all of them, in a condition of Lender's choosing and option to Borrower provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

Subject to a limit on the interest rate adjustments during the life of the loan of plus or minus 100 (100) percentage points.

David Dorek, Dorek  
Real Estate Services

STATE OF OREGON COUNTY OF Klamath

Filed for record as required at Klamath County on Sept 1981 by A.R. B of 11000 State Avenue, St. Joseph, MI 49085 for David Dorek, Dorek Real Estate Services

Page 1 of 1

David Dorek, Dorek Real Estate Services