

After recording please return to:

Klamath Trust Federal  
P. O. Box 1577  
Klamath Falls, OR 97601

75179

Form No. 10-12345

Date 9/26/71

### DEED OF TRUST

THIS DEED OF TRUST (Security Instrument) is made in \_\_\_\_\_ Day 15,  
1971. The grantor is \_\_\_\_\_, a single person.

**KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION**  
under the laws of the United States of America  
and whose address is \_\_\_\_\_

has loaned the principal sum of \$100,000.00 to \_\_\_\_\_

and the same has been secured by the Security Instrument of \_\_\_\_\_  
dated the same date as this Security Instrument. The fact of recording of this Security Instrument  
shall constitute notice to all persons of the existence of this Security Instrument and of the  
fact that the same is a lien in favor of the lender upon the property described in this Security Instrument.

\*10) In the event of any future advances, with interest thereon, made to borrower  
by lender pursuant to the provisions of the "Future Advances" section of this Security Instrument,  
such Future Advances, with interest thereon, shall be secured by this Deed of Trust and shall constitute a  
first lien in favor of the lender upon the property described in this Security Instrument.

Lot 17, Block 17, \_\_\_\_\_ addition to the City of Klamath Falls, according to  
the official plan thereof on file in the office of the County Clerk of  
Klamath County, Oregon.

which is the address of \_\_\_\_\_  
Oregon \_\_\_\_\_ (Property Address)

GRANTOR Warrants all the improvements now or hereafter created on the property and all easements, rights,  
appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all interests now or  
hereafter a part of the property. All improvements and additions shall also be covered by this Security Instrument. All of the  
foregoing is referred to in this Security Instrument as the "Property".

Borrower Guarantees that borrower is lawfully seized of the estate hereby conveyed and has the right to grant  
and convey the Property and that the Property is unencumbered, except for encumbrances of record borrower admits  
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 accordance with uniform security instrument covering real property.

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

2. **Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the due date of the monthly payments or due under the Note, until the Note is paid in full, a sum sufficient to cover the monthly taxes and assessments which may attach to the Property, if any. All yearly taxes and assessments, including mortgage insurance premiums, if any. These items are called "current taxes." Lender may estimate the Funds for the taxes of current taxes and reasonable estimates of future current taxes.

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 or Lender's agent or institution). Lender shall apply the Funds to pay the current taxes. Lender may not charge for holding and applying the Funds, including the account or applying the current taxes, unless Lender pays Borrower interest on the Funds and applicable law permits 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 and the Funds shall be disbursed, without charge, in 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 current taxes, shall exceed the amount required to pay the current taxes 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 current taxes when due, Borrower shall pay to Lender the amount necessary to make up the deficiency in one or more payments as required by Lender.

Lender may, in writing, if all sums secured by the Security Instrument, Lender shall promptly release to Borrower any Funds held by Lender. If under paragraph 2 of the Property is sold or acquired by Lender, Lender shall apply the amount immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender in the title of application as a credit against the sum secured by the 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, to late charges due under the Note, second, to prepayment charges due under the Note, third, to amounts payable under paragraph 2, fourth, to interest due and last, to principal due.

4. **Change of Law.** Borrower shall pay all taxes, assessments, charges, fees and expenditures attributable to the Property which may attach to the Security Instrument, and including premiums or ground rents, 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 records 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 the 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 exercising or perfecting the lien by or defense against enforcement of the lien in a manner acceptable to Lender, the lender's operation to prevent the enforcement of the lien or perfection of any part of the Property or any security from the holder of the lien as agreement satisfactory to Lender subordinating the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach priority over the 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. **Extended Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, including included within the term "extended coverage" and any other coverage in which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance cover providing the insurance shall be issued by Borrower subject to Lender's approval, which shall not be unreasonably withheld.

All insurance policies and coverages shall be assignable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and coverages. 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 in satisfaction or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not impaired. If the restoration or repair is not economically feasible or Lender's security would be impaired, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not they due, with any excess paid to Borrower. If Borrower abandons the Property or does not repair within 90 days a notice from Lender that the insurance cover is affected or within a shorter time that Lender may require the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they due. The thirty day period will begin when the notice is given.

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

6. **Preservation and Maintenance of Property, Leaseholds.** Borrower shall not suffer any damage or substantially change the Property, allow the Property to deteriorate or become waste. If the Security Instrument is in a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the essential and in 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 the Security Instrument or there is a legal proceeding that may affect, with or without Lender's rights in the Property, such as a proceeding in bankruptcy, probate, or administration, or an insolvency proceeding, 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 the Security Instrument, appearing in court, paying reasonable attorneys' fees and entering in the Property in public records. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to 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 secured 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 maintenance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**I. 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 an inspection specifying reasonable cause for the inspection.

**K. 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 condemnation in fact or 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 they 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 to Borrower, or if, after notice by Lender to Borrower that the abandonment offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date for which a given Lender is authorized to collect and apply the proceeds, at its option, either to reconstruction or repair of the Property or to the sums secured by this Security Instrument, whether or not they due.

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

**III. Borrower Not Released, Forfeiture 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 or interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors or interest. Lender shall not be required to commence proceedings against any successor or interest or failure to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors or interest. Any forgiveness by Lender of any debt or any right to collect shall not be a waiver of or preclude 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 assigns this Security Instrument but does not execute the Note shall assign this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument, but not personally obligated to pay the sums secured by this Security Instrument, and his assigns that Lender and any other Borrower may agree to extend, modify, forgive or make any accommodations with respect to the terms of this Security Instrument or the Note without that Borrower's consent.

**12. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan 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 exceeded 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 expiration 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 invoke any remedies permitted in paragraph 14. If Lender exercises this option, Lender shall take the steps specified in the several paragraphs 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 from 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 or clause 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 unaffiliated 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 invoke any remedies permitted by this Security Instrument without further notice or demand to Borrower.

**18. Borrower's Right to Rescind.** If Borrower meets certain conditions, Borrower shall have the right to have termination of this Security Instrument incontestable at any time prior to the earlier of (a) 5 days or such other period as applicable law may specify for rescission; or (b) before sale of the Property pursuant to any power of sale contained in this Security Instrument or the entry of a judgment enforcing this Security Instrument. These conditions are that Borrower (a) pays Lender all sums which they 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 commencement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to rescind shall not apply in the case of acceleration under paragraphs 13 or 17.

Now EMPLOYER CERTIFICATE Borrower and Lender further covenant and agree as follows:

18. Acceleration: Borrower. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise. The notice shall specify (a) the default, (b) the action required to cure the default, (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured and (d) that failure to cure the default as so 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 defense of Borrower to acceleration and sale. If the default is not cured as so before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees and costs of title evidence.

19. Lender in Possession. Upon acceleration under paragraph 18 or abandonment of the Property, Lender shall, at its option, take possession of the Property 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 specified by applicable law, Lender, without demand on Borrower, shall sell the Property at public auction in 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 location determined. Lender may purchase any or all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property without any covenant or warranty, expressed or implied. The notice in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee'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 18 or abandonment of the Property, Lender may, at its option, be 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, reasonable fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall cause Trustee to reconvey the Property and shall terminate this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it, such person or persons shall pay any reconveyance taxes.

22. Substitution. Trustee. Lender may from time to time require Trustee and approve a substitution trustee to any lender appointed hereunder. Without conversion of the Property, the substitution 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 by an appellate court.

25. Notices to this Security Instrument. If one or more notices are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such notice shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the notices were a part of this Security Instrument. [Check applicable boxes.]

- Adjustable Rate Rate
- Graduated Payment Rate
- Other(s) specify:
- Condominium Rule
- Planned Unit Development Rule
- Family Rule

26. Signature Block. Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and is not relieved or excused by Borrower and recorded with it.

Douglas P. MacIntyre  
Douglas P. MacIntyre (Seal)

Now EMPLOYER CERTIFICATE

STATE OF ARIZONA  
COUNTY OF ELY

The foregoing instrument was acknowledged before me this 24 day of July, 1990  
by Douglas P. MacIntyre about

My Commission expires 7-6-90

United Community Bank  
Notary Public

This instrument was prepared by United Community Bank and Loan Association

