

After recording please return to:

Klamath First Federal
P. O. Box 5170
Klamath Falls, OR 97603

75471

Vol 1117 Page 9576

State Must Fill Out For Recording Date

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on May 14, 1983, by and between Francis J. Holmes and Jacqueline Holmes, husband and wife, of the first part, and Klamath First Federal Savings and Loan Association, of the second part, which is represented and acting under the name of the United States of America, and whose address is 240 Main Street, Klamath Falls, Oregon 97603. Borrower owes Lender the principal sum of Forty-four Thousand and no/100 Dollars (\$44,000.00). The debt is evidenced by Borrower's note dated the same date as this Security Instrument, "Note," which provides for monthly payments, with the full date, if not paid earlier for and payable on June 1, 1983. The Security Instrument constitutes the payment of all other sums, with interest, advanced under paragraph "a" or prior to the security of this Security Instrument, and for the performance of Borrower's covenants and agreements under the Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Lender, in trust, with power of sale, the following described property located in Lender's County, Oregon: (a) The repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to the paragraph below ("Future Advances"). (b) FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option prior to full reimbursement 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.

Let it be known that FRANCIS J. HOLMES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

What is the address of 1417 Glenwood Street Klamath Falls, Oregon 97603 (Property Address)

BORROWER WISELY all the improvements are or hereafter erected on the property, and all equipment, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures 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 Covenants 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 encumbered 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 by jurisdiction to constitute uniform security instrument covering real property.

1. **Payment of Principal and Interest, Prepayment 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. **Funds for Taxes and Insurance.** Subject to applicable law or to a written order by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum of "Funds" equal to one-twelfth of full yearly taxes and assessments which may attach primarily over this Security Instrument, its yearly household payments or ground rents on the Property, if any, its yearly hazard insurance premiums, and all yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow 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 as such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or applying the escrow items, 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. 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 sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender the 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 2 of the Property is sold or acquired by Lender, Lender shall apply, or have applied, the Funds 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, 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. **Charge Lien.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach primarily over this Security Instrument, and household payments 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 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, in agreement in writing in the payment of the obligations secured by the lien in a manner acceptable to Lender, the proceeds in good faith the lien by, or defends against enforcement of the lien in a legal proceeding which in the Lender's opinion appears to protect the enforcement of the lien or foreclosure of any part of the Property or its interests from the holder of the lien at the Property is subject to a lien which may attach primarily over this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach primarily over this Security Instrument, Lender may give Borrower a notice demanding 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. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This 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 limit the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of past 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 in respect of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not preserved. 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 then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not move within 30 days a notice from Lender that the insurance carrier has refused to settle a claim, then Lender may collect 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 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 exceed for purposes 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 of the Property is acquired by Lender, Borrower's right in any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property, Leasehold.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or become waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold 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 (such as a proceeding in bankruptcy, probate, for condemnation or an eminent domain or requisition), 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, appearing in court, paying reasonable attorneys' fees and carrying on the Property in mass repair. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this 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 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 an 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 conversion or 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 to 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 in award or settle 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, at its option, either in satisfaction 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 to 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 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 to Lender in any extension or waiver of Borrower 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 or assign or waive or 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 assigns. Any forbearance by Lender in pursuing any right or remedy 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-signers. 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 (a) is co-signing this Security Instrument and is obligated, joint and several, that Borrower's interest in the Property under the terms of this Security Instrument (b) is not personally assigned to pay the sums secured by this Security Instrument, and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard 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 fee which was reasonable late charges, and that fee is finally interpreted or that the amount or other late charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such late charges shall be reduced to the amount necessary to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded the 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 modifying any provision of the Note or this Security Instrument unworkable according to its terms, Lender at its option, may suspend 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 take the steps specified in the second paragraph of paragraph 14.

14. Notices. Any notice to Borrower provided for in the Security Instrument shall be given to Borrower 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 the 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 confirmed 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 (a) to 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 the period, Lender may exercise any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Remain. 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) five or such other period as applicable law may specify for commencement, 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. Those conditions are that Borrower (a) pays Lender all sums which then would be due under the Security Instrument and the Note (b) is not in acceleration (c) has no default of any other covenants or agreements, (d) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, and (e) 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 of this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to remain shall not apply in the case of acceleration under paragraph 14 or 17.

18. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument that not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise. The notice shall specify the default, the action required to cure the default, the date on which the notice is given to Borrower, by which the default must be cured, and all that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate 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 not cured on or 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 exercise 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 this evidence.

If Lender exercises the power of sale, Lender shall execute or cause Lender to execute a written notice of the acceleration of an event of default 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 required 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 Lender determination. 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 at any sale.

Lender shall deliver to the purchaser Lender's deed conveying the Property without any covenant or warranty, expressed or implied. The records in the Trustee'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: to all expenses of the sale, including, but not limited to, reasonable Lender's and attorney's fees; to all sums secured by this Security Instrument; and if any excess in the proceeds is not lawfully applied to it.

19. **Lender in Possession.** Upon acceleration under paragraph 18 or abandonment of the Property, Lender in person, its agent or its judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property excluding those paid 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, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

20. **Remedies.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to remove the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall remove the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any redemption costs.

21. **Substitution; Trustee.** Lender may from time to time remove Trustee and appoint a successor trustee in any Lender 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.

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

23. **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 applicable court.

24. **Notes to this Security Instrument.** If one or more notes are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such note shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the notes were a part of this Security Instrument. (Check applicable box(es))

- | | | |
|---|--|---|
| ☐ Adjustable Rate Note | ☐ Continuum Note | ☐ 2-8 Fixed Rate |
| ☐ Graduated Payment Note | ☐ Planned Unit Development Note | |
| ☐ Other(s) (specify): | | |

25. **Survivorship.** Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any notes executed by Borrower and recorded with it.

Francis E. Hubers (Seal)
Francis E. Hubers

Jacqueline E. Hubers (Seal)
Jacqueline E. Hubers

(Check State for Use for Acknowledgment)

STATE OF OREGON
COUNTY OF CLATSOP } ss:

The foregoing instrument was acknowledged before me this May 15, 1987
by Francis E. Hubers and Jacqueline E. Hubers (three)
(person(s) acknowledging)

My Commission expires 3-1-91
Carol Gustafson
Notary Public

This instrument was prepared by Clatsop Place Federal Savings and Loan Association
and

9860

STATE OF OREGON: COUNTY OF CLATSOP

Check for amount in support of Wapinitia Title Company for \$11 on
of AD. S. 17 in 1911 dated 2 M. and date amount is 73
of Wapinitia as Page 9874

FILE \$11.00

Foreign Exch. Exch. Cert

By [Signature]