

Chapter 10021. Borrower and Lender covenant and agree as follows:

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. **Payment of Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay on the due date monthly payments due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of the yearly taxes and assessments which may attach priority over this Security Instrument, the yearly household payments or ground rents on the Property, if any, (the yearly household insurance premiums, and all yearly mortgage insurance premiums, if any. These items are called "income items." Lender may estimate the Funds due in the basis of current data and reasonable estimates of future income 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 income items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the income 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 application 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 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 date of the income items, shall exceed the amount required to pay the income 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 income 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 release to Borrower any Funds held by Lender. If under paragraph 25 the Property is sold or acquired by Lender, Lender shall apply, as later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender to the satisfaction of a credit against the sums secured by this Security Instrument.

1. **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 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 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 as now 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 concerning 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, the lien is a good faith lien by, or defense against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or foreclosure of any part of the Property, or (c) arises from the holder of the lien as a result of a judgment or order of a court of competent jurisdiction. 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. **Home 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 hold 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 restoration 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 lessened, 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 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 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 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 the payments. If under paragraph 25 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 commit 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 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, garnishment, foreclosure or an estate law, or a judgment, 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 in court, paying 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 deducted 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 deduction at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

19. **Acceleration.** Borrower and Lender further covenant and agree as follows: 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: (a) the default; (b) the action required to cure the default; (c) the 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 on or before the date specified in the notice may result in acceleration of the notes 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 prevent the non-occurrence of a default or any other default of Borrower to acceleration agreement in full of all sums secured by this Security Instrument, without further demand and may include 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 19, including, but not limited to, reasonable attorney's fees and costs of this instrument.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the acceleration of payment of the debt 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 permitted by applicable law. After the time required 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 order Lender determines. Lender may purchase the Property without any covenant or warranty. Lender shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty. Trustee shall deliver to the purchaser 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: (a) to all expenses of the sale, including, but not limited to, reasonable attorney's fees and costs; (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 19 or abandonment of the Property, Lender or 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 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, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

21. **Reimbursement.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall reimburse 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 costs.

22. **Substitution of Trustee.** Lender may from time to time remove Trustee and appoint a successor trustee to any power and duties conferred upon Trustee hereunder and by applicable law. The successor trustee shall assume all the title, power and duties conferred upon Trustee hereunder 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. **Wishes 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 Rider
☐ Graduated Payment Rider
☐ Other(s) [Specify]:
☐ Condominium Rider
☐ Planned Unit Development Rider

☐ 24 Family Rider

IN WITNESS WHEREOF, Borrower signs and agrees to the terms and covenants contained in this Security Instrument and a copy thereof executed by Borrower and recorded with it.

[Signature]
 Jeffrey Allen Hutchinson
[Signature]
 Larissa Hutchinson

Given Under The Seal Of Notary Public

STATE OF MISSISSIPPI
 COUNTY OF CLAY

The foregoing instrument was acknowledged before me this 10th day of June, 1997, by Jeffrey Allen Hutchinson and Larissa Hutchinson (person(s) acknowledged)

My Commission expires 10-13-90

[Signature]
 Notary Public

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

ADJUSTABLE RATE LOAN RIDER

10027

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

This Rider is made this 14th day of June, 1987, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to CLARENCE FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 3930 Brimley Ave., Klamath Falls, Oregon 97603

Property Address

Modifications. 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 CHANGES

The Note has an "Initial Interest Rate" of 8.25%. The Note interest rate may be increased or decreased on the 1st day of the month beginning on September 1, 1987, and on that day of the month every 12 months thereafter.

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the 1% "Contract Interest Rate, Purchase of Treasury-Coupled Futures, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.

☐ There is no maximum limit on changes in the interest rate at any Change Date. ☐ The interest rate cannot be changed by more than 5-10 percentage points at any Change Date. If the interest rate changes, the amount of Borrower's monthly payments 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. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, 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 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. PRIOR LIENS

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with respect to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require: (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one or more rate change (if there is a limit), or (3) a change in the base index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above, waiving a limit on the interest rate adjustments during the life of the loan of plus or minus three (± 3.00) percentage points.

[Signature]
Borrower

[Signature]
Lender

"I am the holder of the Note and I am a resident of the State of Oregon and I am not subject to any other law which sets maximum loan charges."

STATE OF OREGON, COUNTY OF Klamath

Filed for record at request of Maricopa Title Company
at June A.D. 1987 at 10:15 o'clock A.M. and duly recorded in Vol. 10027
of 10027 10027 on Page 10027
Borrower [Signature] Lender [Signature]
By [Signature] County Clerk