

75601

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Klamath First Federal
P. O. Box 1270
Klamath Falls, OR 97601

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DEED OF TRUST

THIS DEED OF TRUST (Security Instrument) is made this June 5, 1977.
 The parties are Clayton K. Lindstrom and Leona M. Lindstrom, husband and wife
 ("Borrower") The Trustor is Klamath First Federal Savings and Loan Association
 ("Trustor") The Beneficiary is the United States of America and whose address is 550 First Street, Klamath Falls, Oregon 97601
 Borrower owes Lender the principal sum of Twenty-five Thousand and no/100 Dollars (\$ 25,000.00).
 On the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full term of not
 past earlier, due and payable on June 5, 1977.
 This Security Instrument
 secures to Lender for the repayment of the debt evidenced by the Note, with interest, and all expenses, costs and
 modifications, by the payment of all other sums, with interest, advanced under paragraph 1, to protect the security of this
 Security Instrument, and (b) the performance of Borrower's covenants and agreements under this Security Instrument and
 the Note for the purpose. Borrower irrevocably grants and conveys to Trustor in trust, with power of sale, the following
 described property located in Klamath County, Oregon:
 * (a) The repayment of any future advances, with interest thereon, made to Borrower
 by Lender pursuant to the paragraph below ("Future Advances").
 FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option prior to
 full redemption of the Property by Trustor 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.

Lot 1, Block 9, Tract No. 1157, NURSE HILLS, in the County of Klamath, State of Oregon.

See attached Adjustable Rate Loan Rider made a part herein.

which has the address of 5500 South Pine Drive
 Origin 75601 Date June 5, 1977
 Deed Property Address

BORROWER Warrants all the improvements now or hereafter erected on the property, and all covenants, rights,
 appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and such and all future 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 unencumbered, except for encumbrances of record. Borrower warrants
 and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT contains uniform covenants for national use and non-uniform covenants with
 limited variations by jurisdiction to constitute a uniform security instrument covering real property.

CHIEF OF BUREAU OF LAND MANAGEMENT

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 CHIEF OF BUREAU

1. **Payment of Principal and Interest; Prepayment and Late Charge.** 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 ("Funds") equal to one-twelfth of (a) yearly taxes and assessments which may attach primarily over this Security Instrument, (b) yearly household payments or ground rents on the Property, if any, (c) yearly hazard insurance premiums, and (d) yearly mortgage insurance premiums, if any. These items are called "expense items." Lender may estimate the Funds due in the absence of current data and reasonable estimates of future expense 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 expense items. Lender may not charge for holding and applying the Funds, satisfying the account or settling the expense 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 date of the expense items, shall exceed the amount required to pay the expense 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 expense items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as reported 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 (1) the Property is sold or acquired by Lender, Lender shall again, on later 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, fees 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 on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of process to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower has agreed in writing to the payment of the obligation secured by the lien as a matter acceptable to Lender. In connection, a good faith lien by or defense against enforcement of the lien or legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (b) secure from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach primarily 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. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning 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 audit the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to 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 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 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 (1) the Property is acquired by Lender, Borrower's right to any insurance proceeds and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender in the event 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 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 to bankruptcy, probate, for condemnation or to enforce laws on the Property), Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appointing an agent, paying reasonable attorneys' fees and entering in the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 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 convenience in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the abandonment affects to make an award or 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 to restoration 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 successor 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 refuse 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 forbearance by Lender in exercising 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 co-signs this Security Instrument but does not execute the Note (a) is co-signing this Security Instrument only as mortgage, grant and assigns that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated 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 at the Note without that Borrower's consent.

12. **Loan Charge.** 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 by paragraph 14. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

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

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision 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. **Lender of the Property or a Beneficial Interest to Borrower.** If all or any part of the Property or any interest in it is sold or transferred (a) 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 on Borrower.

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

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NOTA EMPHATIC COVENANTS Borrower and Lender further covenant and agree as follows:

11. 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 12 and 13, 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 on or before the date specified in the notice may result in acceleration of the entire amount secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to demand 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 11, including, but not limited to, reasonable attorney's fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall exercise or cause Lender to exercise a written notice of the occurrence of an event of default and of Lender's election to exercise 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 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 postpone sale of all or any part 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.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The certificate 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: (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.

12. Lender in Possession. Upon acceleration under paragraph 11 or attachment of the Property, Lender (or person, by agent or by judicial appointment necessary 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.

13. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender 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.

14. Substitution of Trustee. Lender may from time to time remove Trustee and appoint a successor Trustee to any power and duties conferred upon Trustee herein and by applicable law.

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

16. 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.

17. 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 boxes):

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

18. SAVING BEING. Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any notes(s) executed by Borrower and recorded with it.

David S. Claffier (Seal)
David S. Claffier
William H. Claffier (Seal)
William H. Claffier

(Date After This Line for Acknowledgment)

STATE OF MISSISSIPPI
COUNTY OF CLAY } ss:

The foregoing instrument was acknowledged before me this June 3, 1987
by David S. Claffier and William H. Claffier (attest)
(person(s) acknowledging)

My Commission expires: 7-6-90

David S. Claffier (Seal)
Notary Public

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

ADJUSTABLE RATE LOAN RIDER

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.

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This Rider is made this 5th 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 (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 5500 Santa Rosa Drive, 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 8.75%. The Note interest rate may be increased or decreased on the 1st day of the month beginning on September, 1988 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 Cost of Funds Survey Index.

☐ 2 "Current Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.

Check one box to indicate whether there is any maximum limit on changes in the interest rate at each Change Date. If so, list a maximum limit on changes.

☐ There is no maximum limit on changes in the interest rate at any Change Date.

☐ The interest rate cannot be changed by more than 2.00 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 regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly execute 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 (A) an increase in the current Note interest rate, or (B) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (C) 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.

Waiver of a claim on the interest rate adjustments during the life of the loan of plus or minus three (±3.00) percentage points.

Lloyd R. Condit Lender

Linda E. Condit Borrower

* I have read the contents of this document and I, the undersigned, agree to the terms and conditions of the Adjustable Rate Loan Rider as a part of the mortgage instrument.

SIGNATURE OF ORIGIN: COUNTY OF Klamath

Filed for record at request of Aspen Title Company on June 1987 at 12:15 o'clock P.M. and duly recorded at Vol. 10099 of Warrington on Page 10099

FEES \$21.00

Notary Public, County of Klamath State of Ore.