

Loan No. 09-13643

MTC #20324

After recording, please return to: KLAMATH FIRST FEDERAL

P.O. Box 5270

Klamath Falls, OR 97603

# DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on September 29  
8 The grantor is ROY M. MANLEY and ETHEL F. MANLEY

..... The grantor is ROY M. MANLEY and ETHEL E. MANLEY, Husband and Wife September 29, 1931 ("Borrower") The trust is

WILLIAM L. SISEMORE ("Borrower"). The trustee is

WILLIAM L. SISEMORE (borrower). The trustee  
KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION  
under the laws of the United States of America  
540 Main Street, Yreka, California 96097

under the laws of the United States of America  
540 Main Street, Klamath Falls, OR 97601, and whose address is

Borrower owes Lender the principal sum of TEN THOUSAND AND NO/100 Dollars (\$10,000.00) ("Lender").

dated the same date as this Security Instrument ("Note"). This debt is evidenced by Borrower's note  
paid earlier, due and payable on October 15, 1998, which provides for monthly payments, with the full  
secured to Lender. (a) Dollars (U.S. \$10,000.00) ("Lender").

Secured by: the Note, which provides for monthly payments, with the full debt, if not  
 secured to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all  
modifications; (b) the payment of all other sums, with interest, and all renewals. This Security Instrument  
 Security Instrument and (c) the payment of all other sums, with interest, and all renewals.

Security Instrument, and (c) the performance of Borrower's covenants and agreements under this Security Instrument. For this purpose, Borrower irrevocably grants and agrees to assign to Lender all of the following:

\* (d) The repayment of any future advance by Lender to Borrower shall be made to the Klamath Trust, with power of sale, the following

(d) 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 reconveyance of the Property by Trustee to Borrower, may advance to borrower. Such Future Advances shall be subject to the same terms and conditions as the original advance, including interest thereon, made to Borrower.

to borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes secured hereby.

secured hereby by promissory notes stating that said notes are

Lot 4, Block 40, Klamath Forest, Inc.

to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

part thereof on file in the office of the County Clerk of  
Klamath County, Oregon.

Tax Account No. 3811-008D010000 Key No. 462243

Key No. 462243

SEE ATTACHED ADJUSTABLE RATE LOAN RIDER MADE A PART HEREIN.

1. **QUESTION** - What is the purpose of the **QUESTION** section?

[illegible][illegible][illegible]

if the situation of the house rental "change" is different from the situation of the house rental "no change" in the

ch has the address of ..... Rt. 2 Box 323 ..... Bonanza

97623 Bonanza  
 ("Property Address")  
 (City)

TOGETHER WITH all the improvements now on hand.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, tenements, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all other things in or a part of the property. All replacements and additions to the property.

...a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the BORROWER COVENANTS shall be covered by this Security Instrument. All of the

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant

will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. Borrower warrants

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

**ON** - Single, Family, Residential Property, Not Intended for Commercial or Industrial Use, and Non-Uniform Covenants with

ON—Single Family—FNMA/FHLMC UNIFORM INSTRUMENT

Form 3038 12/83  
44737 SAF SYSTEMS AND FORMS  
CHICAGO, IL

1997 2000 2012

2. Funds for Taxes and Insurance: Substantiated by the Note and any prepayment and late charges due under the Note.

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.

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 payments made by Borrower is not sufficient to pay the escrow 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.

Application as a credit against the sums secured by this Security Instrument.

Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

pay them on 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.

the enforcement of the lien or forfeiture of any part of the Property; or (c) secures 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 attain 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 10 days of the giving of notice.

The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

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.

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 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.

Upon completion of the acquisition, the Property is acquired by Lender, borrower's right to 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.

Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and title shall not merge unless Lender agrees to the merger in writing.

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 entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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 conveyance 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 condemnor offers to make an 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 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; Forbearance 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 successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in 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 to mortgage, grant and convey 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 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 by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph 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 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 conformed 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 on Borrower.

**18. Borrower's Right to Reinstate.** 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 days (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. Those 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 reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.



NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. 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 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 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 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence 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, Trustee, 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 Trustee determines. Trustee may postpone sale of 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.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals 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 attorneys' 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 19 or abandonment of the Property, Lender (in person, by agent or by 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 attorneys' 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 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 recordation costs.

22. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee 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.

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

24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

☒ Adjustable Rate Rider ☐ Condominium Rider ☐ 2-4 Family Rider  
☐ Graduated Payment Rider ☐ Planned Unit Development Rider  
☒ Other(s) [specify]

11. BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

*Roy M. Manley* (Seal)  
Roy M. Manley —Borrower

*Ethel E. Manley* (Seal)  
Ethel E. Manley —Borrower

[Space Below This Line For Acknowledgment]

If the borrower is a corporation or partnership, the undersigned is authorized to execute this instrument on behalf of the borrower.

STATE OF OREGON  
COUNTY OF KLAMATH

The foregoing instrument was acknowledged before me this October 4 September 29, 1988 (date)

by Roy M. Manley and Ethel E. Manley (person(s) acknowledging)

My Commission expires: 7-6-90

*David Chandler* (Seal)  
Notary Public

This instrument was prepared by KLAMATH 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.**

This Rider is made this 29th day of September, 1988, 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 KLAMATH 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 Rt. 2, Box 323, Bonanza, OR 97623.

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 8.50%. The Note interest rate may be increased or decreased on the 1st day of the month beginning on March, 1990 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: [Check one box to indicate Index.]

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

(2) ☒ Federal Home Loan Bank of San Francisco Eleventh District Institutions Monthly Weighted Average Cost of Funds

[Check one box to indicate whether there is any maximum limit on changes in the interest rate on each Change Date; if no box is checked there will be no maximum limit on changes.]

**\*\*SEE NOTE BELOW** (1) ☐ There is no maximum limit on changes in the interest rate at any Change Date.

(2) ☒ The interest rate cannot be changed by more than 1.00 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 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 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 interest 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.

**\*\*With a limit on the interest rate adjustments during the life of the loan of plus or minus three (±3.00) percentage points.**

Roy M. Manley (Seal)  
ROY M. MANLEY  
—Borrower

Ethel E. Manley (Seal)  
ETHEL E. MANLEY  
—Borrower

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 4th day of Oct. A.D., 1988 at 4:00 o'clock P.M., and duly recorded in Vol. M88 of Mortgages on Page 16606.

FEE \$28.00

Evelyn Biehn  
County Clerk

By Thelma Medina