

mtc 24064-DN

**DEED OF TRUST**

..AUGUST..17..

Borrower owes Lender the principal sum of FIFTY TWO THOUSAND ONE HUNDRED FORTY AND NO/100 Dollars (U.S. \$ 52,143.00 ). This debt is evidenced by NOTE dated the same date as this Security Instrument ("Note"), which provides for monthly payments of \$1,000.00 on or before the 15 day of SEPTEMBER 2020.

Lots 7, 8, 9 and 10 in Block 37 of FIRST ADDITION TO MIDLAND,  
according to the official plat thereof on file in the office of the  
County Clerk of Klamath County, Oregon, ALSO that portion of vacated  
Main Street, as described in Order to Vacate recorded in Volume M81,  
page 2111, Microfilm Records of Klamath County, Oregon, and being 10  
feet adjacent to the Southern line of the above described parcel.

Tax Account No. 3908-036DA-03500

1. Lender and Borrower otherwise agree in writing, and otherwise agree in writing, that the 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 lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be paid to the same account by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Lender abandons the property, or does not answer within 30 days a notice from Lender that the insurance carrier has failed to make a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the property or may use them as given. The 30-day period will begin on the date of abandonment.

which has the address of 301 Sunrise Street Midland (City)  
(Street)

Oregon 97624 (Zip Code)

**TOGETHER WITH** all the improvements now or hereafter made on or to the above described premises, together with all appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all interests hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All 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 will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. Borrower will and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower will and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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

REC'D: 2070-10

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 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.

NOTARIAL CERTIFICATE: Borrower and Lender hereby certify that the foregoing is a true and correct copy of the original instrument as presented to the Notary Public for recording.



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] **VA GUARANTEED LOAN RIDER**

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.

*Larry D. Sprout* *Roxanne W. Sprout*  
Borrower **LARRY D. SPROUT** **ROXANNE W. SPROUT** (Seal)  
Borrower

Before me, \_\_\_\_\_, a Notary Public for Oregon, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, I have seen the foregoing instrument and the signatures of the parties and have read the contents of the same and have explained to the parties the nature and effect of the same and they have acknowledged to me that they executed the same for the purposes and consideration therein expressed.

My Commission expires: **6/16/92** *Barbara J. Baker*  
Notary Public for Oregon

(Space Below This Line For Acknowledgment)

County ss: \_\_\_\_\_

STATE OF OREGON, \_\_\_\_\_ County ss: \_\_\_\_\_

On this **17th** day of **August**, 19**90**, personally appeared the above named **Larry D. Sprout and Roxanne W. Sprout** and acknowledged

the foregoing instrument to be **their** voluntary act and deed.

Before me, \_\_\_\_\_, a Notary Public for Oregon, on this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, I have seen the foregoing instrument and the signatures of the parties and have read the contents of the same and have explained to the parties the nature and effect of the same and they have acknowledged to me that they executed the same for the purposes and consideration therein expressed.

My Commission expires: **6/16/92** *Barbara J. Baker*  
Notary Public for Oregon

**REQUEST FOR RECONVEYANCE.**

**TO TRUSTEE:** The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

Date: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

# VA GUARANTEED LOAN RIDER

16670

(For use with FNMA/FHLMC uniform instruments for Veterans Administration guaranteed loans)

THIS VA GUARANTEED LOAN RIDER is made this ..... 17th ..... day of ..... AUGUST ..... 19 90 .., and is incorporated into and shall be deemed to amend and supplement a Mortgage, Deed of Trust or Deed to Secure Debt (herein "security instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to ..... U.S. BANCORP MORTGAGE COMPANY ..... (herein "Lender") and covering the Property described in the security instrument and located at ..... 301 SUNRISE STREET ..... MIDLAND, OREGON ..... (Property Address)

.....97624.....

VA GUARANTEED LOAN COVENANT. In addition to the covenants and agreements made in the security instrument, Borrower and Lender further covenant and agree as follows:

1. If the indebtedness secured hereby be guaranteed or insured under Title 38, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of Borrower and Lender. Any provisions of the security instrument or other instruments executed in connection with such indebtedness which are inconsistent with said Title or Regulations, including, but not limited to, the provision for payment of any sum in connection with prepayment of the secured indebtedness and the provision that the Lender may accelerate payment of the secured indebtedness pursuant to Covenant 17 of the security instrument, and hereby amended or negated to the extent necessary to conform such instruments to said Title or Regulations.
2. This loan is immediately due and payable upon transfer of the property securing such loan to any transferee, unless the acceptability of the assumption of the loan is established pursuant to section 1817A of chapter 37, title 38, United States Code.
3. Funding Fee. A fee equal to one-half of one percent of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Administrator of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 USC 1829(b).
4. Processing Charge. Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the credit worthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Veteran's Administration for a loan to which section 1817A of chapter 37, title 38, United States Code applies.
5. Indemnity Liability. If this obligation is assumed, then the assumer hereby agrees to assume all the obligations of the veteran under the terms of the instruments creating and securing the loan, including the obligation of the veteran to indemnify the Veterans Administration to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Borrower has executed the VA Guaranteed Loan Rider.

STATE OF OREGON, ss.  
County of Klamath

Filed for record at request of:

Mountain Title Co.

on this 20th day of Aug. A.D. 19 90  
at 11:57 o'clock A.M. and duly recorded  
in Vol. M90 of Mortgages Page 16666  
Evelyn Biehn CLERK, County Clerk  
By Pauline Mueller Deputy.

Fee, \$28.00

Larry D. Sprout  
LARRY D. SPROUT Borrower

Roxanne W. Sprout  
ROXANNE W. SPROUT Borrower

REVISED

91-3529