

090-19-5746

After Recording Please Return To:
 Klamath First Federal
 540 Main Street
 Klamath Falls, OR 97601

(Space Above This Line For Recording Data)

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on February 21, 1995.
 The grantor is John G. Millard and Susan R. Millard, husband and wife.
 The Borrower is William L. Stiemme.
 The Trustee is Klamath First Federal Savings and Loan Association, which is organized and existing under the laws of the United States of America, and whose address is 540 Main Street, Klamath Falls, Oregon 97601 ("Lender").
 Borrower owes Lender the principal sum of Forty thousand and No/100 Dollars (\$40,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on March 10, 2020. This Security Instrument is subject to the Note with interest, and all renewals, extensions and modifications, the payment of all other sums due to Lender, and the repayment of the principal sum advanced under paragraph 7 to protect the security of this Security Instrument, to the performance of the Note, and the repayment of any future advances made to Borrower by Lender pursuant to the paragraph below. Future Advances: Upon request to Borrower, Lender, at Lender's option prior to full reconveyance of the property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this deed of Trust when evidenced by promissory notes stating that said notes are secured hereby. For this purpose, Borrower hereby grants and conveys to Trustee, in trust, with power of sale, the following described property located in Klamath County, Oregon:

Lot 1, LEWIS TRACTS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Account No. 3809-0350-09100

Key No. R449278

**Attached Adjustable Rate Rider Made A Part Herein

UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US AFTER THE EFFECTIVE DATE OF THIS DEED OF TRUST CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE."

which has the address of 1624 - 132 Ward Street, Klamath Falls, Oregon 97603 ("Property Address").

Together with all the improvements now or hereafter erected on the property and all easements, rights, power, tenures, rents, royalties, minerals, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All improvements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants that it will defend, defend 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.

UNIFORM COVENANTS 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 of 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 waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum of "Funds" equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Security Instrument, the yearly leasehold payments or ground rents, if any, the yearly hazard insurance premiums, and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimate of future escrow items.

The Funds shall be held in an institution of deposit 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 escrow items, analyzing the account or verifying the escrow items, unless Lender says Borrower or holding and applying 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 on applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be credited to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency, one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.
3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to late charges due under the Note, second, to prepayment charges due under the Note, third, to amounts payable under paragraph 2, fourth, to interest due, and last, to principal due.
4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, 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. 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.
5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.
6. **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 copies. In the event of loss, Borrower shall give prompt notice to the insurance carrier. Lender and Lender may make proof of loss, not made promptly by Borrower.
7. **Unless Lender and Borrower otherwise agree in writing, insurance proceeds** shall be applied to restoration or repair of the Property. If the restoration or repair is economically feasible and Lender's security is not lessened, the insurance proceeds shall be used for Lender's security would be lessened, the insurance proceeds shall be used for Lender's security. If the restoration or repair is not economically feasible, the insurance proceeds shall be used for Lender's security. If the restoration or repair is not economically feasible, the insurance proceeds shall be used for Lender's security. If the restoration or repair is not economically feasible, the insurance proceeds shall be used for Lender's security.
8. **Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal** shall not extend or be referred to paragraphs 1 and 2 or change the amount of the payments. If by Lender, Borrower's right to any insurance policies and proceeds resulting from the insurance shall pass to Lender to the extent of the sums secured by this Security Instrument.
9. **Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially 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 the merger in writing.
10. **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 the value of the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.
11. **Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument.** Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

NON UNIFORM CONVENANTS

19 Acceleration: Remedies

19 Acceleration; Remedies. In the event of any covenant or agreement in this Section (other than a covenant or agreement in this Section providing otherwise). The notice shall be given not less than 30 days from the date the notice is given, or before the date specified in the instrument of the Property. The notice shall be sufficient to assert the non-existence of a covenant or before the date specified in the instrument of this Security Instrument without further notice. Therefore, shall be entitled to collect and be paid to a reasonable attorney

If Lender exercises the power of appointment made out and of Lender's estate in which is part of the Property, the Borrower and together with other "children" and in Borrower, that self is designated in the notice of sale in it, on any sale of the property by sub-lease to purchase the Property, it

Trusts shall deliver to the purchaser the rights in the Trust and apply the proceeds of the sale in the following manner: (a) to all sums secured

20. Lender in Possession

20. Lender in Possession. Lender, or its agent or by a judicially appointed receiver, shall pay the rents of the Property, including those of the costs of management of the Property, taxes, bonds and reasonable attorney

21. Reconveyance, Upon Completion

21. **Reconveyance.** Upon payment in full of the loan, the Trustee shall reconvey the Property and shall execute and deliver to the Borrower a Reconveyance Instrument. The Trustee shall be entitled to a fee of not less than \$100. Such fee shall be paid by the Borrower.

22. As Institute Trustee, I understand

22. **Substitute Trustee.** Ten or more persons may be appointed hereunder. Without conveyance or record upon a Trust herein and hereby conferred upon.

20. Use of Property. The Pro

24. Attorneys Fees, Awarded by the Appellate Court

25. Riders to this Security Instru

25. **Riders to this Security Instru**
Security Instrument the covenants in
the covenants and agreements of this Se
Applicable Exces

X A Fustable Rate Rider

- ☒ Adjustable Rate Rider ☐ Condominium Rider ☐ 2-4 Family Rider
☐ Graduated Payment Rider ☐ Planned Unit Development Rider
☐ Other (specify): _____

BY SIGNING BELOW, Borrower, accept and agree to the terms and covenants contained in this Security Instrument and if any and also executed by Borrower as provided with

John C. Millard (Seal)
Borrower

Susan R. Millard (Seal)
Susan R. Millard
For Acknowledgment - Borrower

Space Below This Line For Acknowledgment

STATE OF OREGON
COUNTY OF KLAMATH

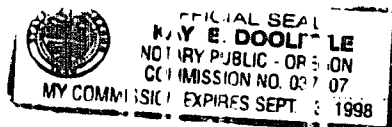
Nothing going on in front was knowingly false or in this

February 2, 1995

Let \mathbf{A} be a matrix in $\mathbb{R}^{n \times n}$ and \mathbf{b} a vector in \mathbb{R}^n . Consider the system of linear equations $\mathbf{A}\mathbf{x} = \mathbf{b}$. Suppose that \mathbf{A} is invertible. Find the solution \mathbf{x} in terms of \mathbf{A} and \mathbf{b} .

John C. Millard, d Susan R. Millard
persons: 1 knowledge:

person(s) acknowledging:

[illegible]

Notary Public (Seal)

This instrument was prepared by: **Klamath First Federal Savings & Loan Assn.**

THIS ADJUSTABLE RATE (IIR) was made this 21st day of February, 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note, No. 95-000000, Klamath First Federal Savings & Loan Assn.

(the "under") of the same date and covering the property described in

167 - 1632 41st Street, Kenath Falls, Oregon 97603

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender, together, covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for changes in the interest rate and the notional amount, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

Change Dates

The interest rate that applies to the loan on the first day of March, 1996, and on that day thereafter, if the interest rate for the loan is higher or lower than the interest rate that applies on the "Change Date."

B. The Index

Beginning with the first Change Date, the interest rate will be based on an Index. The "Index" is the weekly average price on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The next Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give notice of this choice.

- Circulation of changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 3.875 percentage points to the Current Index. The Note Holder will then round the result up to the next whole percentage point (0.125). Subject to the terms stated in Section 4.1, below, the rounded amount will be my new interest rate until the next Change Date.

The New Finance Company will determine the amount of the monthly payment that would be sufficient to repay the debt on the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

D Effects on Interest Rate Sensitive

The interest rate on my required payments at the first Change Date will not be greater than 9.75 % or less than 5.75 %. The greater my interest rate will not be increased or decreased on any single Change Date by more than two percentage points (2%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will not be greater than 13.75 %.

Effective Date of Change:

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

Notice of Changes

The Note Holder will deliver to me, to my notice, any changes in my interest rate and the amount of my monthly payment before the effective date of an adjustment and to my telephone number, at my home or office, if I have one, or to the person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

The proposed amendment to the Security Instrument is intended to read as follows:

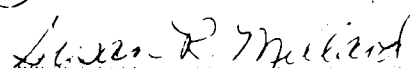
[illegible]

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

By Signing Below, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.


John C. Millard (Seal)
Borrower


Susan R. Millard (Seal)
Borrower

STATE OF OREGON COUNTY OF KLAMATH

Filed for record and request of Klamath County Title Co the 24th day
of Feb A.D. 1999 at 3:27 o'clock P. M., and duly recorded in Vol. M95
of Mortgages on Page 4235

Bernetha G. Letsch, County Clerk

FEE:

\$35.00

By Bernetha G. Letsch County Clerk