

08168

CLAIM OF CONSTRUCTION LIEN
OTHER THAN ORIGINAL CONTRACTOR

Bullet Rental & Sales
5854 S. 6th Street
Klamath Falls, Oregon 97603
Lien Claimant's Name and Address

Owner's Name and Address

Bullet Rental & Sales
5854 S. 6th Street
Klamath Falls, Oregon 97603
After recording, return to (Name, Address, Zip)

SPACE RESERVED
FOR
RECORDERS USE

Vol. 1117 Page 15017

STATE OF OREGON

County of _____ } ss.

I certify that the within instrument
was received for record on the _____ day
of _____, 19____ at
_____ o'clock _____ M., and recorded in
book/real/volume No. _____ on page
_____ and/or as fee/file/instru-
ment/microfilm/reception No. _____
Records of said County.

Witness my hand and seal of County
affixed.

NAME

TITLE

By _____, Deputy.

KNOW ALL BY THESE PRESENTS that Bullet Rental & Sales, Inc.,

hereinafter called claimant, has performed labor, transported or furnished materials and/or rented equipment under a contract between
claimant and Basin Excavating who was the ☒ original contractor ☐ sub-
contractor ☐ construction agent ☐ other person (indicate which) in charge of the construction of that certain improvement known
as Misty Mountain situated upon certain land in the
County of Klamath State of Oregon, which is the site of the improvement, described as follows:

A Parcel of land situated in the SW1/4 SE1/4 of Section 36, T39S,
R7EWM, and A portion of lot 12 of "Tract 1189-Misty Mountain",
situated in the NW1/4, NE1/4 of section 1, T40S, R7EWM, in Klamath County,
Oregon.

The address of the improvement is (if unknown, so state) unknown

The name of the owner or reputed owner of the land is Edward Brennan

The name of the owner or reputed owner of the improvement is Edward Brennan

The name of the person who employed claimant, or to whom materials were furnished and for whom labor was performed
and/or equipment rented is Basin Excavating

The person(s) just named, at all times herein mentioned, had knowledge of the construction.

Claimant commenced performance of the contract on March 29, 1997, provided and furnished all
labor, materials and equipment required by the contract and actually used in the construction of the improvement, and fully com-
pleted the contract on April 4, 1997, after which claimant ceased to provide labor, transport or furnish
materials and/or transport, furnish or rent equipment for the improvement.

THIS NOTICE OF RIGHT TO A LIEN IS GIVEN TO THE OWNER OF THE LAND BY THE CLAIMANT BY THE RECORDING OF THIS LIEN. This lien covers only those materials, equipment, and labor provided
after a date which is eight days, not including Saturdays, Sundays and other holidays, as defined in ORS 187.010, before the Notice
of the Right to a Lien was delivered or mailed.*

The following is a true statement of claimant's demand after deducting all just credits and offsets, to-wit:

If no contract price, the reasonable value of claimant's labor, materials and equipment is:

Labor	\$
Materials	\$
Equipment	\$
Other (specify) Rental of Equipment	\$ 3,921.40
Recording fees	\$ 10.00
Total	\$
Less all just credits and offsets	(\$)
Balance due claimant	\$ 3,931.40

* A Notice of the Right to a Lien is not required to perfect a lien upon commercial property or commercial improvements. See ORS 57.021 (5)(b). For the time and place of recording the
statute this lien a valid claim, see quotation from ORS 57.025 on next page.

(OVER)

Claimant claims a lien for the amount last stated upon the improvement and upon the site, to-wit: the land upon which the improvement is constructed, together with the land that may be required for the convenient use and occupation of the improvement constructed on the site, to be determined by the court at the time of the foreclosure of this lien.

In construing this instrument, the singular pronoun includes the plural, as the circumstances require.

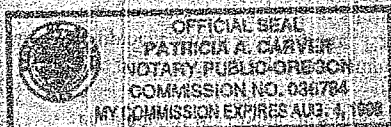
Dated May 27, 1997

Sophia A. Homfeldt, Pres.

Bullet Rental & Sales, inc. Claimant
By: Sophia Homfeldt, Vice President

STATE OF OREGON, County of Klamath ss.

I, Sophia Homfeldt, being first duly sworn, depose and say: I am the Vice President of Bullet Rental & Sales, inc. claimant named in the foregoing instrument. I have knowledge of the facts set forth therein. All statements made in this instrument are true and correct as I verify believe.



Subscribed and sworn to before me on May 27, 1997.

Sophia A. Homfeldt, VP
Sophia Homfeldt

Patricia A. Carver
Notary Public for Oregon
My commission expires 8/4/98

ORS 87.001: "Original Contractor" means a contractor who has a contractual relationship with the owner."

The foregoing lien is created by a section 1 of ORS 87.010. ORS 87.035 provides: "Every person claiming a lien created under ORS 87.010 (1) or (2) shall perfect the lien not later than 75 days after the person has ceased to provide labor, rent equipment or furnish materials or 75 days after completion of construction, whichever is earlier. Every other person claiming a lien under ORS 87.010 shall perfect the lien not later than 75 days after the completion of construction." ORS 87.035 also provides that the lien claim "shall be perfected by filing a claim of lien with the recording officer of the county or counties in which the improvement, or some part thereof, is situated."

NOTICE TO THE OWNER of the land described in the foregoing copy of claim of lien:

Please be advised that the original claim of lien, of which the foregoing is a true copy, was filed and recorded in the office of the recording officer of Klamath County, Oregon, on May 27, 1997.

Sophia A. Homfeldt, VP
Claimant
By Sophia Homfeldt, Vice President
Bullet Rental & Sales, inc.

ORS 87.039 provides:

"A person filing a claim of lien pursuant to ORS 87.035 shall mail to the owner and to the mortgagee a notice in writing that the claim has been filed. A copy of the claim of lien shall be attached to the notice. The notice shall be mailed on later than 20 days after the date of filing."

If the improvement referred to herein is commercial, giving notice of lien may be unnecessary. See ORS 87.021 (3)(b).

(DESCRIPTION CONTINUED)

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Bullet Rental & Sales the 27th day of May, A.D. 19 97 at 11:30 o'clock A. M., and duly recorded in Vol. M97 of Construction Liens on Page 15967

FEES \$12.00
3.00 c.c.

By Bernetha G. Lough, County Clerk
Kathleen Ryan

LOREN E. TERZICH and CARLA W. TERZICH, as Trustees of the TERZICH TRUST, Grantor(s) hereby grant, bargain, sell and convey to: KELLEY R. MINGUS and ANGELINA A. MINGUS, husband and wife, Grantee(s) and grantee's heirs, successors and assigns the following described real property, free of encumbrances except as specifically set forth herein in the County of Klamath and State of Oregon, to wit:

THE WEST 5 FEET OF LOT 3 AND ALL OF LOT 4, BLOCK 2, WEST HILLS HOMES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF Klamath County, Oregon.

SUBJECT TO: all those items of record and those apparent upon the land, if any, as of the date of this deed and those shown below, if any: and the grantor will warrant and forever defend the said premises and every part and parcel thereof against the lawful claims and demands of all persons whomsoever, except those claiming under the above described encumbrances.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

The true and actual consideration for this conveyance is \$ 109,000.00.

Until a change is requested, all tax statements shall be sent to Grantee at the following address: 2449 LINDLEY WAY, Klamath Falls, OR 97601

Dated this 27 day of May, 1997.

TRUSTEE OF THE TERZICH TRUST
BY: Loren E. Terzich TRUSTEE
LOREN E. TERZICH
BY: Carla W. Terzich TRUSTEE
CARLA W. TERZICH

STATE OF OREGON, County of Klamath) ss.

This instrument was acknowledged before me on May 27, 1997

by LOREN E. TERZICH AND CARLA W. TERZICH

as TRUSTEES

of THE TERZICH TRUST

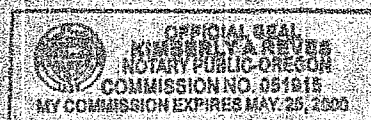
Kimberly A. Reeves
Notary Public for Oregon

My commission expires 5/25/2000

BSCROW NO. MT41338-KA

Return to:

KELLEY R. MINGUS
2449 LINDLEY WAY
Klamath Falls, OR 97601



STATE OF OREGON: COUNTY OF Klamath: ss.

Filed for record at request of AmeriTitle the 27th day of May A.D. 1997 at 11:32 o'clock A. M. and duly recorded in Vol. M97 of Deeds on Page 15969

FEE \$30.00

By Berntha G. Letch, County Clerk
Berntha G. Letch

WHEN RECORDED MAIL TO KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION
2943 SOUTH SIXTH STREET
KLAMATH FALLS OR 97603

ACCOUNT NUMBER 010-04-44253

TAX ACCOUNT NUMBER 3909005BC03400

NTC 41338-KA
DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on MAY 27, 1997. The grantor is
KELLEY R. MINGUS AND ANGELINA A. MINGUS, HUSBAND AND WIFE

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

("Trustee"). The beneficiary 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 SHASTA BRANCH, 2943 SOUTH SIXTH STREET, KLAMATH FALLS, OR 97603

(Lender). Borrower owes Lender the principal sum of
NINETY EIGHT THOUSAND ONE HUNDRED AND NO/100

Dollars (U.S. \$ 98,100.00)

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 JUNE 1, 2027.
This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals,
extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect
the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security
Instrument and the Note; and (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 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
irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in

KLAMATH County, Oregon:

THE WEST 5 FEET OF LOT 3 AND ALL OF LOT 4, BLOCK 2, WEST HILLS HOMES, ACCORDING
TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF
KLAMATH COUNTY, OREGON.

TAX ACCOUNT NO: 3909-005BC-03400 KEY NO: 531545 CODE NO: 004

which has the address of 2449 LINDLEY WAY, KLAMATH FALLS, Oregon 97601 [Street, City],
[Zip Code] ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and
fixtures now or hereafter a part of the property. All replacements 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 combines 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 ("Funds") equal to one-twelfth of: (a)
yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold
payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance
premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance
with the provisions of paragraph 11, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items."
Lender may, at any time, collect and hold Funds in an amount not in excess of the maximum amount a lender for a federally related

OREGON-Single Family

9-0285002 (9610)

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ELECTRONIC LABEL FORMS, INC. (800) 327-0545

Form 3028 8/93

Initials *W. L. Stremore*

mortgage loan may require for Borrower's escrow account under the Federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601, et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. 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. Borrower and Lender may agree in writing, however, that interest shall be paid 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 all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow items when due, Lender may so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

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 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale 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 any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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. 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 amounts 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: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; 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.

5. **Hazard or Property 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, including floods or flooding, 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. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 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.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, 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.

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 in 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.

7a. Hazard Insurance Waiving. Unless you, (the "Borrower") provide us, (the "Lender") with evidence of insurance coverage as required by our contract or loan agreement, Lender may purchase insurance at Borrower's expense to protect the Lender's interest. This insurance may, but need not, also protect the Borrower's interest. If the collateral becomes damaged, the coverage the Lender purchased may not pay any claim Borrower makes or any claim made against the Borrower. Borrower may later cancel this coverage by providing evidence that Borrower has obtained property coverage elsewhere.

The Borrower is responsible for cost of any insurance purchased by Lender. The cost of this insurance may be added to your contract or loan balance. If the cost is added to the contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. Effective date of coverage may be the date the Borrower's prior coverage lapsed or the date the Borrower failed to provide proof of coverage.

The coverage Lender purchases may be considerably more expensive than insurance the Borrower can obtain on Borrower's own and may not satisfy the need for property damage coverage or other mandatory liability insurance requirements imposed by applicable law.

8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in whole or in part) and for the period that Lender requires) provided by an insurer approved by Lender again becomes available. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. 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.

10. 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 in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, 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. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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.

11. 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.

12. 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.

13. 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.

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 confirmed 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 by 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 as if no acceleration had 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 paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. **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 paragraph 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 21, 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.

22. **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 for a fee of not less than \$5.00 to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

23. **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.

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

☐ Graduated Payment Rider

☐ Balloon Rider

☐ VA Rider

☐ Condominium Rider

☐ Planned Unit Development Rider

☐ Rate Improvement Rider

☐ Other(s) [specify]

☐ 1-4 Family Rider

☐ Biweekly Payment Rider

☐ Second Home Rider

"UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US AFTER THE EFFECTIVE DATE OF THIS ACT CONCERNING LOANS AND OTHER CREDIT EXTENSION 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."

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.
Witnesses:

Kelley R. Mingus (Seal)
KELLEY R. MINGUS Borrower

Angelina A. Mingus (Seal)
ANGELINA A. MINGUS Borrower

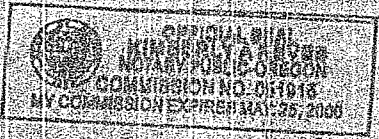
(Seal)
Borrower

(Seal)
Borrower

STATE OF OREGON, Klamath County ss:
On this 27 day of May, 1997, personally appeared the above named
KELLEY R. MINGUS AND ANGELINA A. MINGUS
and acknowledged
the foregoing instrument to be their voluntary act and deed.

My Commission Expires: 5/25/2000
(Official Seal)

Before me:
Kimberly A. Reeves
Notary Public for Oregon



STATE OF OREGON: COUNTY OF KLAMATH :- 19:

Filed for record at request of _____ Assessor the 27th day
of May A.D. 19 97 at 11:32 o'clock A. M., and duly recorded in Vol. 897
of Mortgages on Page 15970
FEE \$30.00 By Bernice G. Leitch, County Clerk
Kathleen Rose