

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]

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.

Brenda K. Ewing (Seal)  
BREND A. K. EWING -Borrower

X Daniel D. Ewing (Seal)  
DANIEL D. EWING -Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

STATE OF OREGON

County of Klamath } ss

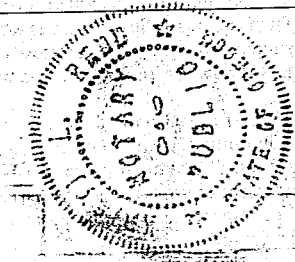
This instrument was acknowledged before me on this 3rd day of July, 19 85,

by BRENDA K. EWING

Kristi L. Redd  
Signature of Notarial Official

NOTARY PUBLIC FOR THE STATE OF OREGON

My commission expires 11/16/89



STATE OF CALIFORNIA

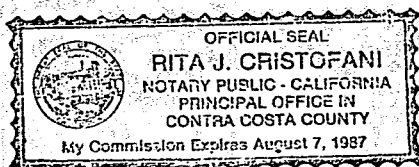
COUNTY OF CONTRA COSTA

On this 1st day of JULY in the year 1985, before me RITA CRISTOFANI, a Notary Public, State of California, duly commissioned and sworn, personally appeared DAVID EWING,

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name DAVID EWING subscribed to the within instrument, and acknowledged to me that X he executed the same.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal in the STATE OF CALIFORNIA County of CONTRA COSTA on the date set forth above in this certificate.

Rita Cristofani  
Notary Public, State of California  
My commission expires 8-7-87





**ADJUSTABLE RATE RIDER**  
(1 Year Index - Interest Rate and Payment Cap)

**10401**  
370108-1

THIS ADJUSTABLE RATE RIDER is made this 1st day of July, 19 85, 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 to THE BENJ. FRANKLIN FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

STAR ROUTE 1 BOX 128 EAST LAKE AVENUE CHILOQUIN, OREGON 97624

(Property Address)

**SECTION 4 OF THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE AND MY MONTHLY PAYMENT. SUCH CHANGES LIMIT MY MONTHLY PAYMENT INCREASES TO 7½% EACH YEAR AND MY INTEREST RATE INCREASES TO 5% OVER THE LIFE OF THE LOAN.**

**ADDITIONAL COVENANTS:** 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 provides for an initial interest rate of 11.625%. The Note provides for changes in the interest rate and the monthly payments, as follows:

**"4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The interest rate I will pay may change on the first day of JULY, 19 86, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent 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 me notice of this choice.

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will add THREE AND 500/1000 percentage points (3.500%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%) to calculate a "Preliminary Interest Rate." The Note Holder will then calculate a "Preliminary Payment" by determining the amount of monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at the new Preliminary Interest Rate in substantially equal payments.

The Preliminary Interest Rate and Preliminary Payment will be my new interest rate and payment subject to the limitations in Section 4(D) and Section 4(E).

**(D) Limit on Payment**

My new monthly payment following a Change Date will be limited to the monthly payment I have been paying immediately preceding such Change Date multiplied by the number 1.075. This amount is called the "Limited Payment Amount." If my new monthly payment is the Limited Payment Amount, an interest rate will be established so that the Limited Payment Amount will be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date. The Note Holder will round this newly established interest rate to the nearest one-eighth of one percentage point (0.125%). This rounded rate will be my new rate of interest I am required to pay subject to the limit on interest rate.

**(E) Limit on Interest Rate**

During the period I have my loan, the interest rate that I pay as a result of calculations made pursuant to this Section 4 may never exceed five percentage points (5.00%) above the interest rate stated in Section 2. Any interest rate that is established as a result of this limitation is called a "Limited Interest Rate." If my new interest rate is the Limited Interest Rate, my new payment will be established at an amount sufficient to repay the unpaid principal I am expected to owe at the Change Date in full on the maturity date in substantially equal payments, and this new payment will be subject to the limit on payment.

**(F) Effective Date of Changes**

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.

**(G) Notice of Changes**

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender; and (c) the interest payable on the sums secured by this Security Instrument shall be at such rate as Lender shall request.

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 of 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.

Witness the hand(s) and seal(s) of the undersigned.

X Daniel D. Ewing (Seal)  
DANIEL D. EWING -Borrower

Brenda K. Ewing (Seal)  
BRENDA K. EWING -Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Sign Original Only)

(Sign Original Only)

370108-1

