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Vol. 195 Page 10728 After Becording Betruito? Taking of any part of the Property, or for conveyance in h assigned and shall be paid to Londer. THE BENJ, FRANKLIN FEDERAL SAVINGS up award it claim for damages three for the inclusion in the second provide the second provided and the claim for the second provided and the sec Benj. Franklin Plazar panget et generation por tront to an une en por succession appendie participation et generation por transfer and transfer and

# Shellshear 967084-1 Space Above This Line For Recorder's Use Space Above This Line For Recorder's Use DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on July 10 The grantor is Phillip M. Jones and Pamela S. Jones, husband and wife , 1985

Harry M. Hanna ("Borrower"). The trustee is The Bani Emplois Extended and Extended A reaction particular ("Trustee"). The beneficiary is The Benj. Franklin Federal Savings and Loan Association, which is organized and existing under the laws of The United States of America, and whose address is One S.W. Columbia Street, Portland, Oregon 97258 ("Lender"). Borrower owes 

Dollars (U.S. \$ 76,000:00 ). 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 \_\_\_\_\_\_\_. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (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. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in section of Klamath County, Oregon: \* a corporation

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Lot 5, Block 4, Tract No. 1002, LA WANDA HILLS, in the County of Klamath, State of Oregon, EXCEPTING the Southern portion, more particularly described as follows:

Beginning at a 5/8 inch iron pin marking the most Southern corner of said Lot 5; thence North 00° 01' 20" East along the West line of said Lot 5, 423.70 feet to a 5 inch iron pin; thence South 69° 22' 33" East 325.42 feet to a 5 inch iron pin on a point on curve of the Northerly right of way line of Gearhart Street from which the radius point of said curve bears North 68° 19' 00" West, 248.85 feet; thence along the arc of a 248.85 feet radius curve to the right (delta = 26° 19' 09"; arc of a 248.85 feet radius curve to the right (delta = 26° 19' 09": Long Chord = South 34° 50' 25" West, 113.31 feet)-114.31 feet to a 5/6 Inch iron pin at the end of curve; thence South 48° 00' 00" West, 322.92 feet to the point of beginning.

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With the port of principal in here TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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 seised 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 to Lender on the day monthly payments are due under the Note, until the Note is paid in 1011, a sum ( runds ) equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) 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 estimates of future escrow items. The second rent data and reasonable estimates of future escrow items.

OREGON-Single Family-FNMA/FHLMC Uniform Instrument L-340 Rev. 10/84 Page 1 of 4 White: File (PUPOFD) Canary: Loan File (PUPOD) Pink; Customer (RC) R

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OREGON-Single Family == FNMA/FHLMC.Uniform Instrument 1-140 Rev 10/84 Page 2 064131100 10: White: File (PUPOFD)

Klamath Falls, Orogon 97,603 Gearbart Street

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shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection. LHE BEN Condemnation of 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

none 18an Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender

insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Borrower shall pay the premiunis required to maintain the insurance in effect until such time as the requirement for the

hongerif Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument,

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

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

fee title shall not merge unless Lender agrees to the merger in writing: offaults of any o 7. Protection of Lender's Rights in the Property; Mortgage Insurance. 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 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.

6. Preservation and Maintenance of Property; Leaseholds. 00 Borrower shall not destroy, damage or substantially change the Property, allow the Property to 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 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 a first provide of patients a concentration of proceeds to principal shall not extend or 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 Postpone the due date of the monthly payments referred to in paragraphs 1 and 2 of change the anount of the payments referred to in paragraphs 1 and 2 of change the anount of the payments and the paragraph 19 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 is acquired by the acquisition to the acquisition to the acquisition to the acquisition shall pass to Lender to the extent of the sums secured by this Security is acquired by the acquisition to the acquisition is a sum of the acquisition of t

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

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.

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

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 forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days

paragraphs, I and 2 shall be applied: first, to amounts payable under paragraph 2; second, to interest; and last, to principal, Al 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 be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender an nonces or amounts receiptis evidencing the payments. 1312 CENTRAL 201600

amount on the James nearby scenaer is nonsumerent to pay the energy nemoting and, boildower shall pay to Lender any in one or more payments as required by Lender.

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. Application of Payments, et Unless applicable law, provides otherwise, all payments received by Lender under

at Borrower stoption, either promptly repaid 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

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.

White: Fue (PUPDF3) Canary: Loan File (PUPOD) Put, Customer (RC) OBECON-2000 Eauly - ENWOVEHING Unitom institution the deposits or accounts of which are insured or guaranteed by a federal or The Funds shall be held in an institution the deposits 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. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law federal to make such a charge. Borrower and requires interest to be paid. Lender shall not be required to pay Borrower and supplicable law for the Funds. Unless an agreement is made or applicable law shall give to Borrower, without charge, an annual accounting of the Funds' showing credits and debits to the Funds. Lender this Security Instrument. Security Instrument of the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument of the Funds and applicable the Funds are pledged as additional security for the sums secured by the Security Instrument of the Funds and applicable and the Funds are pledged as additional security for the sums secured by the Security Instrument of the Funds are pledged as additional security for the sums secured by the Security Instrument of the sums secured by the Security Instr

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OBECD the swent of a total staking 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, 107 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 beföre the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be

and in the 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

Sums secured by this Security Instrument, whether or not then due the first of the secure of the security instrument, whether or not then due the security is the security instrument of the security is a security in the security is a security of the security is a security in the security is a security is a security in the security is a

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 subject of performing the former of the former of the former's consent subject of a law which sets maximum loan 12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan is a conserved by the secured by the security Instrument is subject to a law which sets maximum loan secured by the secu 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. rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, If enactment or expiration of applicable laws has the effect of may require immediate payment in full of all sums 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

591114 Notices up 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 of any other address Borrower designates use of angular method, and notice to Lender shall be given by first class mail to Lender's address stated herein of 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

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

secured by this Security Instrument, however, this option shall not be exercised by Lender, it exercise is promoted by filled at a of the date of this Security Instruments of more under the exercise of acceleration. The notice is all gives of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by remedies permitted by this Security Instrument without further notice or demand on Borrower shall have the right to have built 18: Borrower's Right to Reinstate of 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 lawimay 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 dender 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; lees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17. LELYON NON-UNIFORM COVENANTS Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remutics, Lunder shall give notice to Borrower prior to licceleration 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). Tha 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 sales 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 collectialitexpenses incurred in pursuing the tremedies provided in this paragraph 19, including; but not limited to; reasonable attorneys' fees and costs of title evidence, toberth is posted. Fruder or Largree shall size notice in the limited to; reasonable attorneys? fees and costs of title evidence, Loberth is justice. Fundor or Evidence of an even of genant and of feuder, selection to carse the Broberth to be sold and spin target and of feuder, selection to carse the Broberth to be sold and spin target and of the bolt to be sold and spin target and of the Brown instrument execute or carse the Broberth to be sold and spin target and of the bolt to be sold and spin target and of the Brown and the Brow



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OBEC II Lenders invokes the power of sales Lendershall execute or cause Trustee to execute a written note OBE (derecting 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 manner: prescribed oy applicable law; to borrower and to other; persons prescribed 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 and the terms designated in the notice of sale in one or more parcels and in any order to the terms of all or one of the Desperty by public opposite the time and bid opposite the terms designated in the notice of sale in one or more parcels and in any order to the terms designated in the notice of the Desperty by public opposite the terms designated in the notice of the terms designated the terms designated in the notice of the notice of the terms designated in the notice of the notice of the terms designated in terms designated in the notice of the terms designated in the notice of the terms designated in terms designated in terms designated in the notice of the terms designated in terms designated Duder at the time and place and under the terms designated in the notice of sale in one of more parents 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 provide by calculate and the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale. or any previously scheduled sale. Lender or its designee may purchase the rioperty at any sale. Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, modified the model is the Trustee's deed is built to using facin avidance of the trust of the statements made expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made thorain. Trustee's chall analy the proceeder of the cale in the following orders (a) to all avalance of the cale including, but not

expressed of implicit, the recutais in the Arustee's decuisiant of prima factor 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 finited to improve the third formation of the sale in the following control by this Security Instruments and (a) one options increm, a name shan apply, the proceeds of the sale in the following of using an expenses of the sale, including, our not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the nercon of nercone legally entitled to it a construction of the transfer of the transfer of the 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 Possession, 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.

Property and to collect the rents of the costs of management of the Departy and collected by Lender or the receiver and collection of rents including but not 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 hords and receiver's fees and then to the sume contraction by shan be applied mist to payment of the costs of management of the rioperty and concertion of rents, mendung, out 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 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 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 22. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any

Trustee appointed hereinder. Without conveyance of the Property, the successor trustee shall successor trustee to any nome and duties conferred tions. Trustee herein and hypothics to be any 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 Supplement the covenants and agreements of this Security instrument as it the inter(s) were a part of this security instrument [Check applicable box(cs)], protocol interaction [partowners colored in the interaction of the control of of t Graduated Payment Rider

Other(s) [specify] that the continuate browning Looper and the between the the uline soch combiet shull and affect senet provisions of the

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. un de state organis destaces Mediusice ph up Phillip MurJones alloch (Scal) Antany Borrower Borrower June Pamela St. Jones STATE OF ONLOON (Seal) -Bo County of .....KU amath saia for the uses and purposes therein mentioned, and on path state power of attorney authorizing the execution of this instrument has not been revoked and that the said is now living. WITNESS my hand and official seal hereto affixed the flay and year in this certificate abort written. 20 Busan Notary Public in and for the State of 0 265 m Form No. 0-13.1 (Previous Form No. CTI-123) 9.07 minister (ACKNOWLEDGMENT BY SELF AND AS ATTORNEY IN FACT.) expenses. To TRUSTEE: Automatic And REQUEST FOR RECONVEYANCE CONTRACTOR The undersigned is the holder of the note of 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: inclusion of the forceds multipled by the following fraction: of the total amount of the encode the taking the following fraction: of the total amount of the encode the taking the full mucket value of the Property immodiately before the taking the following the

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

 THIS ADJUSTABLE RATE RIDER is made this <u>l0th</u> day of <u>July</u>, 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 7915 Gearhart Street

 (Property Iddae)
 (Hernerty Iddae)

 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 ADDITIONAL COVENANTS. In addition to the coverage of the LOAN. Klamath Falls, Oregon 97603 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 <u>10.375</u>%. 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 (A) Change Dates (A) Change Dates (B) The index (B) The Index (B) The Index (C) C(A) USES (D) 2(3) 993 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 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. information. The Note Holder will give me notice of this choice. (C) Calculation of Changes Before each Change Date, the Note Holder will add 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 subthat I am expected to owe at the Change Date in fun on the maturity date at the new Fremmary Interest Nate in sub-stantially 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). (U) 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 Pay-ment 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 est one-eighth of one percentage point (0.125%). This rounded rate will be my new rate of interest rate to the near-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 Sec-tion 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 pay-ment 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 B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER Uniform Covenant 17 of the Security Instrument is amended to read as follows: iform 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 information required by I ender to evaluate the intended transferee as if a new loan were being made to the transferee; (b) tate of this Security instrument. Lender also shall not exercise this option II: (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 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. 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 S C 2 9 6 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 Phillip M. Jones attoma (Seal) tanu Borrower -Borrow Pamela S. Joneg -Borrower \_\_(Scal) Borrower -Borrower

(Sign Original Only)

L-763 Rev. 6/84

White: File (PUPOFD) Canary: Loan File (PUPOD)

Pink: Customer (RC)

(Sign Original Only)

\_\_(Seal)



### ADJUSTABLE RATE RIDER (I Year Hudex - Interest Rate and Payment Cap)

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TRIS ADJUSTABLER ATTERDER is made this <u>10th</u> day of <u>July</u> <u>19.85</u> and is necessarily atterded to the Security Deed (the Security Deed to Trust, or Security Deed (the Security Hered) is secure borrower's Adjustable Rate Note to The secure borrower's Adjustable Rate Note to The Security (the Security Deed to Trust, or secure to The Security Deed (the Security Deed to The Security Deed son an t

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duly recorded in Vol. \_\_\_\_M85\_\_\_, of \_\_\_\_Mortgages\_\_\_on Page10728. 0.12

23DXAID TY/IN EVELYN BIEHN, County Clerk HETTYL J The Note provides for changes in the inferest late and the ESE. 0J By Bern A Lets che service

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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