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U.S. NATIONAL BANK OF OREGON 555 S.W. OAK STREET PL-5 SPECIAL LOAN DEPT. FILE NUMBER: 504568 DONNA M. EDWARDS

Mrc-166144-P

Vol. M. & Page 12418

(Space Above This Line For Recording Data)

DEED OF TRUST

THIS DEED OF TRUE	- LD OF IRUST
19	("Security Instrument") is made on YJuly 15. AEL. R., ANDERSON AND. TERESA. LYNN. ANDERSON
	ALL.E. ANDERSON AND TERECA ON Y JULY 15

				,
70 . D .	S. NATIONAL	("Borrower").	The trustee is .BANKOFCORVAL. ("Trustee"). The is organized d whose address is .555S.VOF	••••••
und	ler the Jawa of	REGON	BANK. OF. CORVAL	LIS
czPD	RTLAND OPPOS	LE OF ORECON	("I rustee"). The	beneficiant in
Bor	TOWER OWER Land	, an	d whose address is organized	and existing
	the print	cipal sum of seven and	d whose address is .555. S. U	K. STREET
To Borr	'Ower's note data i it	Dollars (SIX. THO	("Trustee"). The which is organized whose address is .555. S. W04 USAND. AND. 00/100 	("Lender")
💬 payr	nents, with the full die sam	te date as this Security I		
advai	nced under paragraph 7 to	sions and modifications: (b)	nt of the debt evidenced have	
Borro	ower's covenants and agree	protect the security of this Security	e payment of all other sume	Note, with
DOITO	wer irrevocably grants and	ments under this Security In	rity Instrument; and (c) the part	th interest,
prope	rty located in	conveys to Trustee, in trust	nt of the debt evidenced by the e payment of all other sums, wi rity Instrument; and (c) the perfect strument and the Note. For this	ormance of
101	6 IN BLOCK 5 OF TRACT	1145	County	described
111 <u>1</u> 111 <u>1</u>	, IRVINGTON HEIGHTS	1145, NOB HILL, A RESUBD MOUNTAIN VIEW ADDITION, A ORDING TO THE ADDITION, A	IVISION OF PORTIONS OF NOE	, oregon:
ORRI	OF KLAMATH FALLS .: ACC	CORTAIN VIEW ADDITION A	ND FIDER	,
OFFI	VE UP THE COMMENT	VILLING'TO THE APPLICATION A	TO BLUORADO UTITATI	,

TO THE OFFICIAL PLAT THEREOF ON FILE IN THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of _______ 132 EULALONA

Oregon [Street] 97602 KLAMATH FALLS ("Property Address"); [Zip Code] [City]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, and profile roughly and all fixtures now or IOGETHER WITH all the improvements now or nereatier 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 burnefine part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the appurtenances, rents, royantes, mineral, on and gas rights and profits, water rights and stock and an instituce now of hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the formation is referred to in this Security Instrument as the "Property." 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

BURROWER COVENANTS that Borrower is lawiuity selsed 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 appings all claims and demands, subject to any encumbrances of record. and convey the property and that the property is unencumbered, exception 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 imited variations by jurisdiction to constitute a uniform security instrument covering real property.

OREGON-Single Family-FNMA/FHLMC UNIFORM INSTRUMENT

91-1662 5/84

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows: I. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due meinal of and interest on the debt evidenced by the Note and any prepayment and late charges due to the Note. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when d the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
Funds for Towar and Insurance. Subject to provide the law or the weiter principal set to use the law or the weiter principal set. **1. 2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay der on the day monthly payments are due under the Note, with the Note is paid in full a current (Funds 1) study to a start 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 some twelfth of (a) wards taxes and assessments which may attain priority over this Security Instrument. (b) wards to Lender on the day monthly payments are due under the Note, until the Note is paid in tull, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly broaded to many or around rante on the Property of any (c) yearly haved insurance premiume: and (d) yearly

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one-twelfth of: (a) yearly faxes 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 more thanks the second items in a second items in Landar may estimate the Funds due on the 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 our rent data and reasonable estimates of future accrow items. basis of current data and reasonable estimates of future escrow items. of current data and reasonable estimates of future escrow items. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or annow finaluding Londer if Londer is such an institution). Londer shall apply the Funds to put the depositions 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. Tandar may not charge for holding and applying the Funds apple ing the account or varifying the account or varifying the account of v

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 barrow ar interest on the Funds and annlicable law permits Lender to make such a charge. Borrower and Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and the bard on the Funds of the Funds of the Funds of the Funds. Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law Lender may agree in writing that interest shall be paid on the Funds. 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. Lender shall also be required to be funds about the Funds and the shall also be required as annual accounting of the Funds showing aredits and debits to the Funds and the requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the shall give to the bunds that the Funds are pludged as additional security for the sums security do the sums security for the sum securety for the sum security for the sum security for t

shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by the Summer Instrument. curity Instrument. If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to a data of the scorow items, shall exceed the amount required to pay the scorow items when due, the avone shall be 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 at Borrower's uption, wither proportiv repaid to Borrower or predited to Borrower on monthly payments of Funds, if the

the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the another when the Europe hold by Lundar is not sufficient to now the reactivitients when due Borrower shall have to Lundar hold. at Borrower's option, 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 amount payments of required by Lender. It necessary to make up the deficiency in one or more payments as required by Lender. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower and hald by Londar. If under paragraph 10 the Property is sold or acquired by Londar. Londar shall apply no later Upon payment in tuli of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the role of the Property of its appreciation by Lender, any Europe held by Lender at the time of 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 implication as avradit against the sume sourced by this Sourcetty Instrument.

ation 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 make Land 2 shall be confied, first to late charges due under the Note: second, to prenayment charges due under the

J. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; to interest due, and last to principal due. third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due. **4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the max attain priority over this Security Instrument, and leasehold payments or ground repts, if any 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 provided in partnershall pay these obligations in the manner provided in partnershall 2 or if not paid in that manner. Borrower shall Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, it any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall not them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts

Borrower shall pay these obligations in the manner provided in paragraph 2, or it 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 all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. pay them on time directly to the person owed payment. Borrower shall promptly turnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender recents automation the paymente ts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) 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 furth the lien by or defends against approximate of the lien in legal proceedings which in the Lender's opinion optrate to

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 prove any the anforcement of the lien or forfeiture of any part of the Property: or (c) secures from the holder of the lien and the lien and the lien and the lien of the lien of the lien and the l latth 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 and a subordinating the lien to this Successful Instrument. If Lander datarmines that only part of prevent the enforcement of the lien or forteiture 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 Borrowire a 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 potion identifying the line. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days 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 actions at forth above within 10 days

giving of notice. 5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property d against loss by fire horards included within the tarm "extended coverage" and any other horards for which I and ar

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 activities insurance shall be maintained in the amounts and for the netiods that I and a requires. The insured against loss by hre, 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 shall be chosen by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be the shore by Borrower subject to Lender's approval which shall be shore by Bo 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 the subject in the ball of the unreasonably withheld. ionably withheld. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. That have the right to hold the policies and renewals. If t and a requires. Borrowar shall promotivate to t under

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 submits of paid pramitime and renewal policies. In the event of less, Borrower shall give prompt policies to the insurance 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 and the policies of the insurance is the property of the an receipts of part premiums and renewal nonces. In the event of 1055, borrower share carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. r 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 Property damaged if the restoration or repair is economically feasible and Lender's security is not becauged. If the 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 insurance proceeds shall be becaused the insurance proceeds shall be

of the Property damaged, if the restoration or repair is economically leasible 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 replied to the sume contrast by this contrast. Whether or pot them due with any score paid to Porrow at 15 restoration or repair is not economically teasible 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

applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. It Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to cattle a claim, then Lender may collect the insurance proceeds. Londer may use the proceeds to repair or restore 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 Bronarty or to have sume carried by this Security Instrument, whether or not then due. The 30-day period will begin onered 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 the notice is given. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If 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 naragraph 10 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting

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 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 sume secured by this Security under 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 instrument immediately prior to the acquisition ment immediately prior to the acquisition. 6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially the Droperty allow the Droperty to deteriorate or commit waste. If this Security Instrument is on a leasehold

6. Preservation and Maintenance of Property; Leaseholds. 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, Rorrower shall comply with the provisions of the lasse, and if Perrower securities for title to the Property, the landshald and change the Property, allow the Property to deteriorate or commit waste. It 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 for title shall not marge unless Lender parces to the marger in writing fee title shall not merge unless Lender agrees to the merger in writing. 7. Protection of Lender's Rights in the Property; Mortgage Insurance. 7. Protection of Lenger's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect I and a proceeding in bankrupton probate for condemnation or to enforce laws or

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 I ender may do and hav for whatever is necessary to protect the value of the Property and Lender's rights 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 I ender's actions may include paying any sums secured by a lien which has priority over this Security

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 resempting attorneys' fees and entering on the Property to make remains. Although 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 I ender may take action under this paragraph 7. Lender does not have to do so Lender may take action under this paragraph 7, Lender does not have to do so. r may take action under this paragraph /, 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 in Instrument Finless Rorrower and Lender arres to other terms of payment, these amounts shall have interest from Any amounts dispursed by Lender under this paragraph / shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disburgement at the Note rate and shall be payable with interest. Upon notice from Lender to Borrower Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, 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.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. 17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

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 15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the

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, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a

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

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.

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

before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be 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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immédiately

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby

insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. 8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the

Graduated Payment Rider	Condominium Rider	seality
Uther(s) [specify]	Planned Unit Development Rider	2-4 Family Rider
BY SIGNING BELOW. Borrower ac Instrument and in any riders) excluded by B Borrower Borrower MICBARL E. ANDERSON Killer Borrower TERESA LYNN ANDERSON	MAN MAN	
[Sna	- D -1	(Seal) Borrower
STATE OF OREGON,Klemeth	SckibWiedgment]	
STATE OF OREGON,Klamath On this	ay ofJuly LYNN. ANDERSON Duntary act and deed	appeared the abovernamicd
5 commission expires: 8/16/88	Betore md:	C UNION
other indebtedness secured by this Deed of Trust, h and this Deed of Trust, which are delivered hereby this Deed of Trust to the person or persons legally e	EST FOR RECONVEYANCE	and the second se
Date:	erett.	o now neid by you under

tent as if the rider(s) were a part of this Secur Adjustable Rate Rider d shall amend and

this Security Instrument If an	- shall include an
this Security Instrument, the covenants and agreements of each such rider shall supplement the covenants and agreements of each such rider shall Instrument. [Check applicable box(es)]	an include an
applement the covenants and agreements of each executed	d by Borrowsen .
instrument, [Check wants and agreements of this of each such rider shall	hain being and recorded together
Concert applicable box(es)	be incorporated into and all together with

24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' attorneys' fees awarded by an appellate court. y

23. Use of Property. The Property is not currently used for agricultural, timber or grazing purposes.

24. 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. Reconveyance. Opon payment of an sums secured of this security instrument, bender shart request a twicker of 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 shall not only recorded to record. 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

limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by 21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property. Lender (in by agent or by judicially appointed receiver) shall be entitled to enter upon take possession of and manage the 20. Lender in rossession. Opon acceleration under paragraph 19 or availuonment of the Property. Lender of the possession of and manage the Departy and to collect the rest of the Property including these post due. Any rante collected by I under or the restinger 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

expressed or implied. The recitats in the Trustee's deed shall be prima facte 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 implied to recease the Trustee's and atternant face (b) to all evens control by this Source in Instrument; and (c) any evense increment rustee shan apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, out 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 of persons locally entitled to it

required by applicable law, i rustee, without demand on borrower, shall sen the property at public auction to the inguest 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 determined. Trustee may posterior cale of all or any parcel of the Desparty by public applying most at the time and 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 the conductive conductive of any conductive decimation and purchase the Property of any conductive and the time and I rustee determines. I rustee may postpone sale of all or any parcel of the Property by public announce 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, and or implied. The residue in the Trustee's deed chall be prime facily suide an of the truth 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

Table attorneys rees and costs of the 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 recorded in each county in which any part of the Property is located. Lender or i rustee shall give notice of sale in the manner prescribed by applicable law. After the time manner prescribed hy applicable law. After the time to be personal to the ball solt the Deportunity of public solt the binder. manner prescribed by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidden at the torme designated in the potice of calcin one of parts and an and an advertee designated in the potice of calcin one of parts and an advertee advertee advertee of calcin one of calcin one of advertee and in any advertee.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows: 19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 the particle applicable law provider otherwise). The paties shall specify (a) the default (b) the default (b) the straigneet in the straigneet oreach of any covenant or agreement in this Security instrument tout not prior to acceleration under paragraphs 15 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to secured by this Security instrument and sale of the property. The notice shall infinite inform Doriver of the right to bring a court action to assert the non-existence of a default or any other default of Portuge to conclusation and the right to default is not suice as before the default is not suice a before the default in the notice. 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 demand and may invoke the power of said and any other remembes permitted by applicable taw. Lender shan be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to,

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12422 STATE OF OREGON: COUNTY OF KLAMATH: Filed for record at request of ______ of _____ A. SS. _____A.D., 19 ______ at ____ 10:10 o'clock <u>A</u> M., and duly recorded in Vol. <u>M86</u> Mortgages on Page <u>12418</u> Evelyn Biehn, County Clerk By <u>PRM</u> FEE \$21.00 _ day -- --- \mathcal{A}

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