Loan #09-13145

MTC #16907

Vol. M86 Page_

After recording please return to:

Klamath First Federal P. O. Box 5270 Klamith Falls, Oregon 97601

- [Space Above This Line For Recording Data] -

DEED OF TRUST

19 86. The grantor is	
I he grantor is Florid ty distrument") is made on	
August 14	
A. Cone, husband and	
("Borrower") The	••••
N.AMATH GIBOT FEB COMMISSION OF THE CRUSTER IS WILLIAM T	
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under the laws of the United AND LOAN ASSOCIATION	• • • •
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Main Stratt Wilch is Organized and, Which is Organized and	
Borrower own Falls Orosan and whose address is	ng
under the laws of the United States of America and whose address is Borrower owes Lender the principal sum of One States August States States States America and whose address is Borrower owes Lender the principal sum of One States S	_
July sum ofDreBundred Six Thousand	••••
Borrower owes Lender the principal sum ofOneOnegon 976.01 dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if no modifications; (b) the payer	").
paid earlier, due and payable on	1
paid earlier, due and payoble	••••
Secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and he Note. For this purpose the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under paragraph 7 to protect the security leads to the performance of Borrower's coverage under the performance under the performance under the perform	te
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modifications; (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and he Note. For this purpose, Borrower irrevocably grants and coverage and agreements under this Security Instruments.	ot
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restrict and (a) the party sums, with interest, advanced and all renewals, extensions	••
he Note. For this manner of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and anticed under paragraph 7 to protect of the performance of Borrower's and the	d
escribed straight purpose, Borrower irrevocable scovenants and agreements and protect the security of this	
rescribed property located in grants and conveys to The security Instruments	
Security Instruments (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sales the feet of the security Instrument and the Note.	ď
power of sale, the following	~
he Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following escribed property located in	5
County, Oregon	:

A parcel of land situated in the SW1NW1 of Section 5, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin on the North line of said SW1NW1 from which the Northwest corner of said SW2NW2 bears South 89°55' West, 539.09 feet; thence North 89°55' East along said North line SW2NW2, 280.00 feet to a ½ inch iron pin; thence South 00°05' East, 124.67 feet to a ½ inch iron pin; thence South 89°55' West 245.00 a ½ inch iron pin; thence South 00°05' East 249.33 feet to a ½ inch iron pin on the Northerly right of way line of Lindley a ½ inch iron pin on the Northerly right of way line of Lindley Way; thence South 89°55' West along said right of way line, 35.00 feet to a 5/8 :inch iron pin; thence North 00°05' West, 374.00 feet to the point of heginning.

See attached Adjustable Rate Loan Rider made a part herein.

which has	he address of2478	Lindlev Way	
Oregon	97601 [Zip Code]	Lindley Way [Street] ("Property Address");	. Klamath Falls [City]
	FTHER W.T.		

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

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 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 mortages insurance premiums; and (d) yearly hazard insurance premiums. mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current (lata 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 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 not charge for nothing and applying the runus, analyzing the account of vernying the escrow nems, unless.

Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender pays portower interest on the runds and applicable law permits Lender to make such a charge, portower and 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 give to Borrower any interest or earnings on the Funds and the shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the sman give to borrower, without charge, an annual accounting of the Funds showing credits and deons 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

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 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 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 any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs I and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Lieux. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or 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 setisfy the lien or take one or more of the actions set forth above within 10 days

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

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

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

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

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, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and

7. Protection of Leader'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 If Borrower fails to perform the regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower

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

The limit will be

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender o. Inspection. Lender of its agent may make reasonable entries upon and inspections of the reoper shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

The proceeds of any award or claim for damages direct or consequential in conn 9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with an administration of other taking of any part of the Deposition of Condemnation or other taking of any part of the Deposition of Condemnation or other taking of any part of the Deposition of Condemnation or other taking of any part of the Deposition of Condemnation or other taking of any part of the Deposition of Condemnation or other taking or other assigned and shall be paid to Lender.

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any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby 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 I ender otherwise caree in writing the sums secured by this Sourcity Instrument shall be reduced by unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by unless borrower and Lender otherwise agree in writing, the sums secured by this Security instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking. Any belongs shall be the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured militeriality 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 authorized to collect and apply the proceeds at its antion aither to restoration or remain of the Property of 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 the dual data of the monthly normalise referred to in paragraphs 1 and 2 or change the amount of such payments.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or 10. Borrower Not Released; Forbearance By Lender Not a Waiver.

Extension of the single secured by this Security Instrument or granted by Lender to any successor in modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Rottower shall not operate to release the liability of the original Bostower or Bostower's successor in interest. 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. 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 the original Rorrower's successors in interest. Any forbegrance by Lender in exercising any right or remedy payment or otherwise modify amortization of the sums secured by this security institution of any demand made by the original Borrower of 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's companie and agreements shall be joint and several. Any Borrower's companie and agreements shall be joint and several. Any Borrower's companie and agreements shall be joint and several. of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security or paragraph 17. Borrower's covenants and agreements shall be joint and several. Any borrower who co-signs this Security Instrument only to mortgage, grant and convey that Departs under the terms of this Security Instrument. (b) is not personally obligated to pay 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

charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is many interpreted so that the interest or other loan charges confected or to be confected 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 imits will be refined to Borrower. I and a man about the principal to Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed perintieu mints win de retundeu to porrower. Lender may choose to make this retund 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 partia! prepayment without any prepayment charge under the Note.

13. Legislation Allecting Lenuer's Rights. If enactment or expiration of applicable laws has the effect of 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 control by this Contains Instrument and may involve any remodies. may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies If enactment or expiration of applicable laws has the effect of permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of

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 maining it by first class mail unless applicable law requires use of another method. The notice shall be uncerted to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by notice to Lender shall be given by frogerty Address of any other address stated herein or any other address Lender designates by notice to Lender shall be deeped to have been given to Rossower or Lender when given as provided 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 Jo. Governing Law; Severability. This Security Instrument shall be governed by lederal 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 you offset other provisions of this Security Instrument or the Note. Junsaiction in which the Property is necated. In the event that any provision or clause of this Security Instrument of the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note and the provisions of this Casarity Instrument and the which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument of 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 mithout Lender's prior written consent. Lender may at its option require immediate payment in full of all comes. person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period ese than 30 days from the date the notice is delivered or mailed within which Borrower must now all some covered by of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by or not less than 30 days from the date the notice is delivered or maned within which porrower must pay an sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any invoke

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have ment of this Sourise Instrument discontinued at any time prior to the parliar of (a) 5 days (or such other period as conforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as a pulsable law man consists for seincomment) before sale of the Peoperty pursuant to any power of sale contained in this applicable law may specify for reinstallement) before sale of the Property pursuant to any power of sale contained in this Security Instrument: or (h) entry of a judicinent enforcing this Security Instrument. Those conditions are that Borrowse. Applicable law may specify for reinstallement) 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 (b) cures any default of any other covenants or agreements. (c) pays all expenses incurred in enforcing this try pays Lenger an sums winch then would be due under this Security instrument and the role had no acceleration (Accurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this countries including but not limited to reasonable attorneys' face, and (d) takes such action as Lender may Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may Scurity Instrument, including, out not implied to, reasonable attorneys lees; and (a) 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 actions the security instrument shall continue unabanged. Then reinstatement by obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Racrower thic Security Instrument and the obligations cannot be about the obligations cannot be about the sum of the obligations cannot be about the sum of the obligations cannot be about the sum of the obligations cannot be sum of the sum o 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.

NON-LINIFORM 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 covemant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 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 reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and muy invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to,

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
- 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

mstrument. [Check applicable box(es)]	and the second to the	ie fider(s) were a part of thi	s Securit
X Adjustable Rate Rider	Condominium Rider		
Graduated Payment Rider		2-4 Family	Rider
Other(s) [specify]	Planned Unit Development R	lider	
Cincita, (specify)			
BY SIGNING HELOW D.			
Instrument and in any rider(s) executed by I	ccepts and agrees to the terms and derrower and recorded with it	covenants contained in this	Security
in the state of th	of rower and recorded with it.		County
	Flore (1)		
	120/2 00-(021	(Seal)
	Floyd W. Cone		Borrower
	(lo x Con	a	
	Clo K. Cone	re)	(Seal)Borrower
[Sp	ace Below This Line For Acknowledgment]		borrower
			1 1 4
STATE OF OREGON	· W		
STATE OF OREGON	•••••		
COUNTY OFICLAMATH	SS:		÷
***************************************	••••• Jan		
Alban Indiana			
The foregoing instrument was acknowledged	before me this August 14	1006	
			•••••
by Plond W. Ore and Clo. K. C	one	(date)	4
COTANIA A	(person(s) acknowledging)	**********************	•••••
The state of the s	ing the Ayer Andrews Community of the Co		
My Complission explicis: 11-12-86			
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	Sugal	Ban	
Marie Control of the	- Lewis V	CERT	SEAL)
This issue	1	Notary Public	33.4
This instrument was prepared by Klamath.	First Federal Savings and T	Oan Association	
44770		samming of the source of the s	•••••

ADJUSTABLE RATE LOAN RIDER

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. IN-CREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

	DECREASES IN THE	TEREST RATE WILL RESULT IN HIGHER PAYMENTS. Ay ofAugust
	This Ridge :	NTEREST RATE WILL RESULT IN HIGHER PAYMENTS. ay ofAugust, 19. 86, and is incorporated into and shall resigned (the "Borrower") to secure Borrower's Debt (the "Security Incorporated into and Sociation
	be deemed to amount this . 14th d	ay ofAugust
	The state of the s	**
	RI AMATIL MAN TO MALLO UNITE CONTAIN T	** MUITO200 To
	(the "Lender") of all INGS AND LOAN AS	lersigned (the "Borrower") to secure Borrower's Note to Note") and covering the property described in the Security Instrument and Property Address
	located at 2478 Time date (the "	No. 10 Secure Borrower's New Years Victority Instru
	Lindiey Way, Kla	math and covering the
		Falls, Oregon 9760;
	Modifications	Sociation (the "Borrower") to secure Borrower's Note to "Security Instrument and Sociation and Sociation (the "Borrower") to secure Borrower's Note to Sociation (the "Security Instrument and Property Address (Sociation Sociation Sociati
1	Lender further and addition to the co	Address and
1	Lender further covenant and agree as foll A. INTEREST RATE AND MONTHLY The Note has an "Initial Interest Rate" 1.5t. day of the month beginning.	venants and agreements
	The Note have AND MONTHY	PAYMENT CHANGES of .8.75 %. The Note interest rate may be increased or decreased on the specific property of September 19.86 and on that day of the month of the
	lst. day of "L	PAYMENT CHANCES and Instrument, Borrower and
	.12. months the month beginning on	Or .8.75 %. The Note in
	Changes in the interest of the	PAYMENT CHANGES Of .8.75.%. The Note interest rate may be increased or decreased on the September 19.86 and on that day of the month every
	[Check one box to indicate Index.]	19.86. and on that decreased on the
	(1) 🔯 * "Cari	by changes in an interest and that day of the month even
	Types of Lenders's Interest Rate Pos-	overy
	(2) De published by the Federal	September
	Types of Lenders" published by the Federal	riome Loan Bank Roand Homes, National
	[Check one box to indicate the control of the contr	I by changes in an interest rate index called the "Index". The Index is the: Chese of Previously Occupied Homes, National Average for all Major
	(1) There is the anges.	Chase of Previously Occupied Homes, National Average for all Major Home Loan Bank Board. Change in the interest rate on each Change.
n W	(1) There is no maximum limit on a	Home Loan Bank Board. Home Loan Bank Board. Himit on changes in the interest rate on each Change Date; if no box is checked there will thanges in the interest rate at any Change Date. Borrower's monthly payments will change as provided in the New York and the Interest rate as a provided in the New York and Interes
W	If the interest rate cannot be all	changes in the interest rate at any Change Date. Borrower's monthly payments will change as provided in the Note. In- Brity Instrument in the interest rate will result in lower payments.
	creases in the interest rate changes, the amount of	Borrower's monthly payments will change as provided in the Note. In- urity Instrument is subject to a law which a subject
	B. LOAN CHARGE rate will result in high	Borrower's monthly and percentage points and
	It could be the	payments at any Change Date. payments. Decreases in the interest rate will result in lower payments. payments. Decreases in the interest rate will result in lower payments. parity Instrument is subject to a law which sets maximum loan charges other loan charges collected or to be collected in connection with a parity and (R) any such loan charges by the set of the connection with a parity and (R) any such loan charges by the set of the connection with a parity and (R) any such loan charges by the set of the connection with a parity and (R) any such loan charges by the set of the connection with a payments will be a provided in the Note. In-
	and that law is interest the loan secured by the o	the interest rate will an interest rate will be a support of the interest
	loan would exceed so that the interest	Irity Instrument is out.
	necessary to reduce permitted limits. If this is not	other loan charges collected or to be collected in connection with the note. (A) any such loan charge shall be reduced by the amount it; and (B) any sums already collected from Borrower which exceedant to Borrower.
	ed permitted limits the charge to the permitted limits is the	case, then: (A) any collected or to be collected in the collected of the collected in the c
	owed under the his will be refunded to De	case, then: (A) any such loan charge shall be reduced by the amount it; and (B) any sums already collected from Borrower which exceeding to Borrower. Lender may choose to make this refund by reducing the principal the sums segment.
	C. PRIOR LIENS C. PRIOR LIENS	Lender may sums already collected from P. Lender may ob-
	If Lender day	nent to Borrower which exceed
	which has priority	the sums secured by this Security Instrument are subject to a lien ided in paragraph 4 of the Security Instrument or shall properly
	shall promptly over this Security Inst	the sums secured by this Security Instrument are subject to a lien ender may send Borrower a notice identifying that lien. Borrower der subordinating that lien to this Security Instrument or shall promptly paragraph 17.
	secure an agreement, I regard to that lies	che sums secured by this Security Instrument are subject to a lien cheder may send Borrower a notice identifying that lien. Borrower der subordinating that lien to this Security Instrument or shall promptly paragraph 17 of the Security Instrument.
	D. TRANSFER on in a form satisfactor	ided in parcel Borrower a notice identia are subject to a line
	If there is the PROPERTY	der subordingstill 4 of the Security I-
á	in increase in the transfer of the Property	ordinating that lien to this Security Instrument or shall prompt
1	erest rate charge current Note interact subject to	paragraph 15
u	valving the and (if there is a limit) or (2) an	increase in Co the Security Instrum
	By significant to accelerate provide 3 a change i	n the Race I to removal of) the limit and, Lender may require
,	vaiving the option to accelerate provided in paragra By signing this, Borrower agrees to all of the a ** With a limit or the accelerate provided in paragra	der subordinating that lien to this Security Instrument or shall promptly paragraph 17 of the Security Instrument, Lender may require (1) in the Base Index figure, or all of these cases in the same of the same of the same of these cases in the same of the
	or a limit on the interest all of the al	paragraph 17 of the Security Instrument or shall promptly increase in (or removal of) the limit on the amount of any one in- the Base Index figure, or all of these, as a condition of Lendard
	minus three (+/- 2 and rate a	paragraph 17 of the Security Instrument. increase in (or removal of) the limit on the amount of any one inthe Base Index figure, or all of these, as a condition of Lender's pove. djustments during the life of the loan of plus
	3.00) percentag	e point during the life
		FULLUS.
		Ila VIII Con plus
		Flora
		Floyd W. cone One (Seal)
		(Seal)
		Clo K. Cone
		Cio k Con
		C10 K. Cone (Seal)
		·····(Seal)
		Borrower
		<u>.</u>
MOT I	than one box is chartest	Ower do not otherwise agree in writing, the first Index named will apply.
JU.	TABLE RATE LOAN RIDER—081—FILMC UNIFORM INSTRU OREGON: COUNTY OF KLAMATH: 55	
U	OREGON: COUNTY OF KLAMATH: SS.	Ower do not otherwise
	OF KLAMATH:	MENT
or n	cord at request of	named will apply.

Filed for record at request of August A.D., 19 86 11 9:41 o'clock A.M., and duly recorded in Vol. M86 FEE \$21.00 Morrgagns on Page 15025 Evelyn Biehn, County Clerk