requesting payment

Form 3038 12/83 44737 SAF SYSTEMS AND FORMS CHICAGO, IL

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| Posterior of the process of the proce THIS DEED OF TRUST ("Security Instrument") is made on "February 23"

19. 87. The grantor is Darrell L. Perkins and Mary J. Perkins, husband and wife ("Borrower"). The trustee is William L. Sisemore ("Trustee"). The heneficiary is KLAMATH FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION ("Trustee"). The beneficiary is under the laws of the United States of America and whose address is ("Lender").

540 Main Street Klamath Falls. Oregon 97601 ("Lender").

Borrower owes Lender the principal sum of Fifty-five Thousand Seven Hundred and No/100****

Dollars (U.S. 3. 55, 700.00...). This debt is evidenced by the full debt, if not paid earlier, due and payable on March 15, 2017 (This Security Instrument exercises to Lender (a) the repayment of the debt evidenced by the Note, with interest, and all renewals. extensions and modifications (N.). 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 ______ Klamath ______ County, Oregon: (d) The repayment of any future advances, with interest thereon, made to Borrower Lender pursuant to the paragraph below ("Ruture Advances"). FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option prior to full reconveyance of the Property by Trustee to Borrower, may make Future Advances to Borrower . Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by prosmissory notes stating that siad notes are esecured pereph. To a non which may aftain priority nver this Security Instrument it length extensions as a new which may aftain priority inver this Security Instrument, Lender and the state of the security instrument. taun the figures, or derends against enforcement of the lien in, legal proceedings which to the decises a present operation the force of the first of the figures are not the present the countries of the figure of Lot 5, Block 2, THE HIGHLANDS : in the County of Klamath, State of Oregon. Botton or shall promptly discharge any lien which has princing over this Security to a minary or her and a second recorder sake entire in a beautisme to be paid under this paragraph. If Borrower makes, these nayments directly, Borrower shall point to be said united the manner of the person owed payment, there are described to the described to be said united the provided makes the person owed payment, better and properly decrease to be said united to be s Note: third, to answers pay able under paragraph 2; fourth, to interest due; and last, to principal one 3. Application of Payments. Unless applicable law provides outgrate, all pagin casser to provide application of Payments. For a paragraphs I and I shall be applied: last, relate charges due under roc Note; second, to respayment application as a credit against the sums secured by this Security Instrusson. amount agestary to make up the deficiency in one or more nayments as required by A ender.

Upon payment in full of all sums secured by this Security Institutural Lender shall promptly as an in the same Funds held by Lender. If under paragraph, 19 the Property is adder acquired by Lender Transfer shall promptly in the financial financial paragraph in the acquired by Lender Transfer shall promptly be in the first form in immediately prior to the sale of the Property or its acquisition by Lender, any Funds beld by Lender. amount of the Funds livid by Lender is not sufficient to pay the extraw nears when due, Boryower that the due dates of the escrow nome, shall exceed the amount required to pay the escrow here where the content of the an Journmen's option either promptly repaid to Borrower of credital to Borrower's option either promptly repaid to Borrower of credital to Borrower and manifold passes of the content of the If the amount of the Penas held by Lender Hogerher with the Jature mention perfections of 1 and which has the address of 3614 Jana Drive Klawath Falls below for April 1975 (1975) and the first of the first 1 10/161 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." The property was the property of the p 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. to [suc 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.

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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 and interest on the debt avidenced by the Note and any prepayment and late charges due under the Note.

1. rayment or rrincipal and interest; rrepayment 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 to the day most him and the Note was the Note with the Note was the day most him and the Note was the Note with the Note was the Note was the Note was the Note with the Note was the N 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 ne-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly over this Security Instrument; (c) yearly hazard, insurance premiums; and (d) yearly one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly over this Security Instrument; (c) yearly hazard, insurance premiums; and (d) yearly over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over this Security Instrument; (b) yearly over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is paid in full a sum ("Funds") over the Note is pa

teurrent data and reasonable estimates of ruture escrow items.

The Funds shall be held in an institution the deposits of 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, unless Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items. 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 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 not Borrower any interest or compliance on the Funds. 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, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the shall give to Borrower, without charge, an annual accounting of the Funds are pledged as additional security for the sums secured by purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by snau give to norrower, 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

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 at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. this Security Instrument. and definition of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any

amount of the runus held by Lender is not sunicient to pay the escrow helds when due, borrower shall pay to Lender any unceressary 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 held by Lender 15 under payments in the Department of the Department o Upon payment in full of all sums secured by this Security Instrument, Lender snall promptly retund 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 radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its acquisition as a radia account the sale of the Property or its account the sale of the Property or its account to the sale of the Property or its account the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its account to the sale of the Property or its acc

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under application as a credit against the sums secured by this Security Instrument. 3. Application of rayments. Unless applicable law provides otherwise, all payments received by Lender under the paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; the state of the paragraph 2 fourth to interest due and last to principal due.

paragraphs 1 and 2 shan be applied: first, to late charges due under the Pole; second, to prepayment Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due. Note; 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 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 these obligations in the manner provided in paragraph 1, or if not paid in that manner, Borrower shall promptly furnish to Lender all notices of amounts pay 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 promptly furnish to Lender all notices of amounts pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender

s evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a)
in military to the payment of the abilitation coursed by the lien in a manner constable to I ander (b) contests in good 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 defende agricult enforcement of the lien in legal proceedings which in the Lender's opinion operate to agrees in writing to the payment of the obligation secured by the sien 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 great the opposition of the lien and the opposition of the lien and the opposition of the lien of forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of the lien or forfeiture of any part of the Department of t receipts evidencing the payments. rain the nen by, or defends against enforcement of the nen 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 I ender subordinating the lien to this Sagnity Instrument. If I ender determines that any part of 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 at the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower attain priority over this Security Instrument, Lender may give Borrower attains to the giving of the giving of potice.

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So 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 requires insurance carrier providing the insurance shall be chosen by Rorrower subject to Lender's approval which shall not be insurance shall be chosen by Rorrower subject to Lender's approval which shall not be requires insurance. This insurance snall 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 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. All insurance policies and renewals snall be acceptable to Lender and snall include a standard mortgage clause.

Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall give prompt notice to the insurance of the insurance of the policies and renewals at the standard standard mortgage clause. Lender snall nave the right to note the policies and renewals. If Lender requires, Borrower shall give prompt notice to the insurance all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance unreasonably withheld.

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all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair the Property damaged, if the restoration or repair is economically feasible and Lender's security would be lessened the insurance proceeds shall be restoration or repair is not economically feasible or Lender's security would be lessened the insurance proceeds shall be of the Property damaged, it the restoration of repair is economically leasible and Lender's security would be lessened, the insurance proceeds shall be 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 Testerment, whether any other data with any excess acid to Borrower. 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 notice 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 offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore of the proceeds of the proceeds of the proceeds.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or Onless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend of 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 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 the paragraph 19 the Property process to the against the property process to the process to th unuer paragraph 17 the Property is acquired by Lender, Dollower'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

Instrument immediately prior to the acquisition.

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, change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, and the Property with the provisions of the lease and if Paramer Security for title to the Property. Instrument immediately prior to the acquisition. 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 fee title shall not marge upless I and a complete the marge upless I and a complete the marge upless.

Borrower shall comply with the provisions of the lease, and it borrower acquires fee title to the Troperty, the reasonable fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender'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 to the property (such as a proceeding in bankruptcy, 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 Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or 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 actions may include naving any sums secured by a lien which has priority over this Security in the Property. Lender's actions may include naving 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 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 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.

Lender may take action under this paragraph 7 shall become additional debt of Borrower secured by this Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by a lien which has priority over this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from

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 requesting payment.

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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.

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.

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

assigned and shall be paid to Lender.

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

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or

to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

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.

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 partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender'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 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

paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the

Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one 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.

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.

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.

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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 unless applicable law provides otherwise). The notice shall enacify (a) the default. (b) the action required to supplies applicable law provides otherwise). 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 Rorrower, by which the default must be cured. untess applicable law provides otherwise). The notice shall specify, (a) the detailt, (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 follows to cure the default on or before the date specified in the notice may recult in accolaration of the cure 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 accept 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 ontion may require immediate payment in full of all sums secured by this Counity Institute and the require immediate payment in full of all sums secured by this Counity Institute. at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses, incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to,

and accorneys nees 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 reasonable attorneys' fees and costs of title evidence. 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 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 hidden of the time and place and under the towns designated in the national designation. 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 butter 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. London or its designed may purchase the Property of any selections.

place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale. rany previously scheduled sale. Lender of 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 expressed or mapness, the rectains in the trustee's deed shall be prima facts evidence of the sale, including, but not 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 soreon or percent legally antitled 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 to the person or persons legally entitled to it. 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 naturally of the access management of the Department of the property and to collect the rents of the property including the Department of the including but not shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not snan be applied inst to payment of the costs of management of the rioperty and concerton of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons this Security Instrument.

22. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any legally entitled to it. Such person or persons shall pay any recordation costs. 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

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with attorneys' fees awarded by an appellate court. The this the reference of helper test th St

24. Attorneys rees. attorneys fees awarded by an appellate court. 25. Riders to this Security Instrument. It is security Instrument, the covenants and agreements of the covenants and agreements of the covenants and agreements of the covenants and agreements.	fone or more riders are exe	cuted by Borrower and shall be incorporated into and sh	all amend and
24. Attorneys fees awarded by an appellate court. 25. Riders to this Security Instrument. It is security Instrument, the covenants and agreements the covenants and agreements of supplement. (Check applicable box(es))	eements of each such rider	as if the rider(s) were a part o	
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144 Commission expires: 6-16-88	arance as a condition V	Notary Public	(SEAI
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This instrument was prepared by.....Klamath First Federal Savings and Loan Association....

ADJUSTABLE RATE LOAN RIDER

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE. WILL DESURE IN THE INTEREST RATE.

	of Mortgages	o'clock <u>P</u> M., and duly r on Page <u>3463</u>	ecorded in Vol. M87
Filed for record at reque	est of	otelook P	the 4th day
	checked or if no box is checked, and Lender and E E LOAN RIDER—8/81—FILMC UNIFORM INS COUNTY OF KLAMATH: SS.	torrower do not otherwise agree in writing, TRUMENT	the first Index named will apply. 44295-4 SAF Systems and Forms
			—Borrower
		Mary J. Pierkins	/(Seal)
		Darrell L. Perkin his attorney in f	is by Mary J. Perkins act Borrower
** With a li	nis, Borrower agrees to all of the ab mit on the interest rate ac three (± 3.00) percentage p	ove. djustments during the l points.	주의 아이들이 되지 않는데 그는 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그 그
terest rate change	transfer of the Property subject to popular to the current Note interest rate, or (2) an i (if there is a limit), or (3) a change in to accelerate provided in paragraphs.		strument, Lender may require (1) imit on the amount of any one in- these, as a condition of Lender's
shall promptly ac secure an agreem D. TRANSFER	etermines that all or any part of the y over this Security Instrument, Len et with regard to that lien as provide tent in a form satisfactory to Lender OF THE PROPERTY	ed in paragraph 4 of the Secur r subordinating that lien to th	ce identifying that lien. Borrower rity Instrument or shall promptly is Security Instrument.
necessary to redu ed permitted lim owed under the C. PRIOR LIEN	ice the charge to the permitted limit; its will be refunded to Borrower. Le Note or by making a direct paymen NS	and (B) any such loan char, and (B) any sums already collected may choose to make this to Borrower.	ge shall be reduced by the amount cted from Borrower which exceeds refund by reducing the principal
B. LOAN CHA It could be t and that law is ir	RGES that the loan secured by the Security	Instrument is subject to a law	rate will result in lower payments. which sets maximum loan charges
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(1) ⊠* •	the interest rate are governed by cha indicate Index.] 'Contract Interest Rate, Purchase ors' published by the Federal Home		illed the "Index". The Index is the: S. National Average for all Major
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A. INTEREST The Note I	ons. In addition to the covenants a covenant and agree as follows: **RATE AND MONTHLY PAYME has an "Initial Interest Rate" of 8.2 the month beginning on March	ENT CHANGES	
located at36	14 Jana DriveKlama	d covering the property descri th. Falls, Oregon 9760 Property Address	
ment") of the s	r is made this 23rd day of amend and supplement the Mortgag same date given by the undersigned (i I FEDERAL SAVINGS AND LOAN ASSOCIATION	the "Borrower") to secure Bor	Secure Debt (the "Security Instru- Tower's Note to
	THE INTEREST	ATE WILL RESULT IN HI RATE WILL RESULT IN L	OWER PAYMENTS

Evelyn Biehn,

Ву

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County Clerk