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After recording return to: Klamath First Federal P. O. Box 5270 Klamath Falls, Oregon 97601

Vol M87 Page 11002

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Borrower own	Klamath Fall America (Trustee") The base (Trustee)
* * * *	cender the principal, Oregon 972 and whose address, which is organized beneficiary is
dated the sa-	* * * * * * * * * * * * * * * * * * *
paid earl	date as this same Dollars at a said and No/1004
Same Carrier, due	FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION  The United States of America ("Trustee"). The beneficiary is Lender the principal sum of Ninety Thousand and Work and Work as this Security Instrument ("Note"), which is organized and existing and the states of Ninety Thousand and No/100* * * * * * * * * * * * * * * * * * *
modifies to Lend	sof. The United States of America. ("Trustee"). The beneficiary is 6th St., Klamath Falls, Oregon 97603 and whose address is which is organized and existing the principal sum of Ninety Thousand and No/100* * * * * * * ("Lender"). It is security Instrument ("Note"), which provides for monthly payments, with the full debt, if not the payment of the debt evidenced by the Note, with interest, and all renewals, extensions and the purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with posterium payment of this Security Instrument of the security of this payment of any future.
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security Instrum	payment of all other and evidenced by the system of all others and short state of the system of the
the Note Forth	b) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and is purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following to the paragraph of any future advances, with the full debt, if not ment; and (c) the performance of Borrower's covenants and agreements and all renewals, extensions and is purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following the paragraph of the paragraph of the paragraph advances, with the paragraph of t
described proper	Durpose, Borrower's advanced under parent, and all renewals and renewals are the parent of the paren
*(d) The	ly located in revocably grants and agreement and agreement of to protect the
Transfer pu	Irsuane any future and
FUTURE ADVAN	icre to the paragraphics, with the paragraphics and the paragraphic and the paragraphics and the paragraphic and t
full recons	Upon request below ("Final Interest thereas County Oreas
to Rorran	rest; and (c) the performance of Borrower's covenants and agreements under this Security Instrument is purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following arsument to the paragraph below ("Future Advances").  Such Future Advances, with interest thereon, made to Borrower Such Future Advances, with interest thereon, shall be secured by Trust when evidenced by promissory notes stating at the following security of this security of this control of the paragraph below ("Future Advances").
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Deed of	Truck Lender's Option
secured here!	when evidences, with interest, may make prior to
	y. thereon, shall ruture Advan-
	notes statistic be secured to
A trace	yance of the Property by Trustee to Borrower, at Lender's option prior to Such Future Advances, with interest thereon, make Future Advances Trust when evidenced by promissory notes stating that said notes are
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mange 10 Eas	it of at acted in the crivi
of Oregon, b	land situated in the SEI/4 of Section 10

land situated in the SE1/4 of Section 19, Township 39 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, being more particularly described as follows:

Beginning at an iron pin which marks the corner common to Sections 19, 20, 29 and 30; thence West 685 feet; thence North parallel to the East line of said Section 19 to the South line of the property described in Book M69, page 9420, Deed Records of Klamath County, Oregon; thence North 87 degrees East 685 feet more or less along the South line of said property described in Volume M69, page 9420, to the East line of said Section 19; thence South in volume MD9, page 9420, to the East line or Said Section 19; thence South 1000 feet, more or less to the point of beginning, EXCEPT that portion lying within the right of way of Reeder Road.

See attached Adjustable Rate Loan Rider made a part herein.

which has the address of	
Oregon 97503	Address"); Klamath Falls [City]
[Zp Code] ("Property	Address"): Klamath Falls
TOGETHER WITH all the improvements now as	, icity)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, 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 next of the property. All replacements and additions shall also be covered by this Security Instrument. All of the appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant BORROWER COVENANTS that Borrower is lawfully seised of the estate nereby 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 THIS SECURITY INSTRUMENT COMDINES UNIFORM COVERADIS for national use and non-unlimited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

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 noticed of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. 1. Payment or Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when 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 Toyac and Insurance Subject to applicable law or to a written univer by Lender Rorrower shall promptly and the Note. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay not the day monthly navments are due under the Note until the Note is paid in full a sum ("Funds") equal to 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 nee-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument: (b) yearly 110C8 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 hazard insurance premiums; and (d) yearly 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, if any. These items are called "escrow items." Lender may estimate the Funds due on the property is assessments which may attain priority over this Security Instrument; (b) yearly hasis of current data and reasonable estimates of future escrow items." Lender may estimate the Funds due on the

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or specific funds in a part of the specific funds of the spec 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.

I and a manufacture of the folding and applying the Funds analyzing the account or verifying the escrow items. state agency (including Lender it 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 I ender nave Borrower interest on the Funds and applicable law permits I ender to make such a charge. Borrower and Lender may not charge for holding and applying the Funds, analyzing the account or verilying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and I served in writing that interest shall be paid on the Funds Unless an agreement is made or applicable law 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 permits interest to be paid. Lender shall not be required to pay Rorrower any interest or earnings on the Funds. Lender 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 dehits to the Funds and the requires interest to be paid, Lender snall 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 number of the Funds are pledged as additional security for the sums secured by shall give to Borrower, without enarge, an annual accounting of the Funds snowing 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

curity Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the escrow items shall exceed the amount required to nav the escrow items when due, the excess shall be. If the amount of the Funds held by Lender, together with the luture 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 Rosrower's option, either promptly repaid to Rosrower or credited to Rosrower 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, amount of the Funds held by Lender is not sufficient to pay the escrow items when due. Borrower shall pay to Lender any 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 make up the deficiency in one or more payments as required by I ender. amount of the runds nead by Lender is not sufficient to pay the escribe ments when due, but amount necessary to make up the deficiency in one or more payments as required by Lender.

Those payment in full of all come secured by this Security Instrument. Lender shall

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 held by Lender. If under paragraph 10 the Property is sold or acquired by Lender Lender shall apply no later. Upon payment in full of all sums secured by this Security Instrument, Lender shall 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 any Funds held by Lender. It 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 the Note: second to prepayment charges due under the J. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under 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.

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 priority over this Security Instrument, and leasehold payments or ground rents, if any. 4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, the and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any.

Reserves thall pay these obligations in the manner provided in paragraph 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 promptly furnish to Lender all notices of amounts. 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. Rorrower shall promptly furnish to Lender 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 receipts evidencing the navments.

ts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) in writime to the navment of the obligation secured by the lien in a manner accentable to Lender: (b) contests in good 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 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 field 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 necessary the enforcement of the lien or forfeiture of any part of the Property: or (c) secures from the holder of the lien and 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 assessment satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of prevent the enforcement of the lien or fortesture 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. I ender may give Borrower a agreement satisfactory to Lender subordinating the tien to this Security Instrument. It 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 and the lien or take one or more of the actions set forth above within 10 days. the Property is subject to a nen 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

giving of motice.

5. Hazard Insurance. Botrower shall keep the improvements now existing or hereafter erected on the Property described included within the term "extended coverage" and any other hazards for which I ender 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. The 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 periods that Lender requires to I ender's approval which shall not be 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

onably withness.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause.

shall have the right to hold the policies and renewals. If I ender requires. Rorrower shall promptly give to I ender. 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 Rorrower shall give prompt notice to the insurance Lender shall have the right to hold the policies and renewals. It Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and I ender. Lender may make proof of loss if not made promptly by Borrower.

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 from the rectoration or repair is economically feasible and I ender's security is not lessened. 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 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 same secured by this Counity Instrument, whether or not then due with any excess paid to Rorrower If restoration or repair is not economically leasable 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 ahandons the Property or does not answer within 30 days a notice from Lender that the insurance carrier has 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 settle a claim, then I ender may collect the insurance proceeds. I ender may use the proceeds to repair or rectors 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 that the source of the sou 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

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 nayments 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 from damage to the Property prior to the acquicition shall pass to I ender to the extent of the sums 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

6. Preservation and Maintenance of Property: Leaseholds.

Borrower shall not destroy, damage or substantially

ment immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold. o. 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, and the Property the leasehold and change the Property, allow the Property to deteriorate or commit waste. It this Security Instrument is on a leasenoid, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and the stille shall not merge unless I ender agrees to the merger in writing. see 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 Lender's Rights in the Property; Mortgage Insurance. It Borrower tails to perform the coverants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect and as a proceeding in hankruntey, 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 Lender may do and pay 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 taws 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 and Lender's rights are 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 reasonable attorneys' fees and entering on the Property to make repairs. 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 Lender may take action under this paragraph 7. Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this varieties. Paragraph 4 and a great to other terms of national these amounts shall be interest from Any amounts disbursed by Lender under this paragraph / snail 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. 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. 1.11

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 paid to Borrower.

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 o er 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.

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 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 notice chall enecify. (a) the default. (b) the action required to cure the breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 1/
unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the
default (a) a data not loca than 30 days from the data the notice is given to Rorrower by which the default must be cured: unless applicable law provides otherwise). The notice shall specify: (a) the detault; (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 energified in the notice may result in acceleration of the cure 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 that Committee Instrument and sale of the Property The notice shall further inform Rorrower of the right to and (a) 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 accord the non-evictorice of a default or any other Secured by this Security instrument and sale of the Property. The notice shall further inform Borrower of the right to bring a court action to assert the non-existence of a default or any other defence of Rorrower to acceleration and sale. If the default is not cured an or hefore the data specified in the notice. I ender remaiate after acceleration and the right to bring a court action to assert the non-existence of a delauft 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 online may require immediate payment in full of all cume courted by this County Instrument without further at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the nower of cale and any other remedies normitted by applicable law. I ender chall be entitled to at its option may require immediate payment in ruit 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 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 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 sold in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in 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 of occurrence and to other normal property is property and to other normal property of the shall give notice of sale in the After the time 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 remired by applicable law. Trustee, without demand on Rorrower shall call the Property at public auction to the highest 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 before and under the terms decimated in the notice of sale in one or more narcels and in any order required by applicable law, I rustee, without demand on Borrower, shall sell the Property at public auction to the nignest 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 may nostrone sale of all or any parcel of the Property by public announcement 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 previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Tructee chall deliver to the purchaser Tructee's deed conveying the Droperty without any or

Flace 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 the color in the following order: (a) to all expenses of the cale including but not expressed or implied. The recitals in the Trustee's deed shall be prima facile 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 reaconable Tructee's and attornays' face. (b) to all same cannot by this Sagnetty Instrument, and (c) any average inerein, a rusice snail apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not to the narrow of partons locally antifled to it

- 20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in the property of the individually appointed receiver) chall be antitled to enter upon take necession of and manage the 20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver that he applied first to payment of the costs of management of the Droperty and collection of rante including but not Property and to confect the remis of the Property including those past due. Any remis confected by Lender of the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not important to receiver's face premiums on receiver's honds and reasonable attorneys' face, and then to the sums secured by shall be applied first to payment of the costs of management of the Property and conection 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 and without shares to the parson or parsons 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 leading and recordation costs. 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 supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument as if the rider(s) were a part of this Security Instrument as if the rider(s) were a part of this Security Instrument I ınd itv

Adjustable Rate Rider	Condominium Rider	ower and recorded together wi orated into and shall amend are s) were a part of
Graduated Payment Rider	Condominium Rider	a part of this Securi
Ciner(s) [specify]	☐ Planned Unit Development Rider	2-4 Family Rider
BY SIGNING RELOW D		
mistrument and in any rider(s) acrower ac	Cepts and a	
Instrument and in any rider(s) executed by B	orrower and record the terms and com-	
	recorded with it covenant	s contained in this s
		ins security
	·······	().
	Ken Black	(Seal)
	$\gamma_{0}$	(Seal) —Borrower
	Marcia Black	
[Space	Marcia Black Below This Line For Acknowledgment]	)(QC) (Seal)
	For Acknowledgment]	-Borrower
STATE OF OREGON		
COUNTY OF KLAMATH	} ss:	
	···. ]	
The formal-		
instrument was acknowled		
by Ken Black and War	fore me this. 24th day of June, 1987	
Marcia Black	June, 1987	7
		• • • • • • • • • • • • • • • • • • • •
	(person(s) acknowledging)	
THE STORY OF THE S	and ging)	*******
V. 10-13-276		

Fleur of This instrument was prepared by Klamath First Federal Savings and Loan Association ·····(SEAL)

## 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 RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

11011

This part is	ST RATE WILL RESULT IN HIGHER PAYMENTS.  June  gage, Deed of Trust, or Deed to Secure Debt (the "Security Laws of Marches Payments") to secure Debt (the "Security Laws of Marches Payments") to secure Debt (the "Security Laws of Marches Payments Payments of Marches Payments
be deemed to amount of the day of	gage, Deed of Trust, or Deed to Secure Debt (the "Security Instru- d (the "Borrower") to secure Borrower's Note to
KLAMATH FIRST FEDERAL over the undersigne	gage, Deed of Trust, or Deed to Secure Debt (the "Security Instru- d (the "Borrower") to secure Borrower's Note to  ASSOCIATION  the Falls, Oregon 97603
(the "Lender") of the same SAVINGS AND LOAN	d (the "Borrower") to secure Borrower's Note to  and covering the property described in the Security Instru- th Falls, Oregon 97603  Property Address
located at746 Reedon Rive "Note")	ASSOCIATION 16 secure Borrower's Note to and covering the property described in the Security Instrument and Property Address
Klama	th Falls Or property described in the S
	Programment and
Modifications. In addition to the	Property Address  s and agreements made in the Security Instrument, Borrower and  IENT CHANGES
Lender further covenant and agree as follows:  A. INTEREST RATE AND MONTHY.	s and agreements
A. INTEREST RATE AND MONTHLY PAYM  The Note has an "Initial Interest Rate" of 8	security Instrument B
1st Note has an "Initial Interest Park"	IENT CHANGES
12 month beginning on C.	
Change thereafter.	IENT CHANGES  50. %. The Note interest rate may be increased or decreased on the ember 1 19. 88 and on that day of the month every anges in an interest rate index called the "Index". The Index is the:
Check one have in the interest rate are governed by	and on that day of the many
(Check one box to indicate Index.)	anges in an interest rate index.
Types of I Contract Interest Rate P.	ridex called the "Index" That
(2) De published by the Federal Home	of Previously Occupied Homes, N.
	of Previously Occupied Homes, National Average for all Major Loan Bank Board.  n changes in the interest rate on each Change Date; if no how is the
Check one ban to indicate what	n changes in the interest rate on each Change Date; if no box is checked there will
be no maximum limit on changes 1	T Channel
Below (2) The interest rate cannot limit on change	S in the interest
If the interest rate changes the changed by	is in the interest rate on each Change Date; if no box is checked there will by more than 1.00 percentage.
R TO A the interest rate will result in him of Borro	wer's monthly percentage points at any Cl
LOAN CHARGES	is in the interest rate at any Change Date; if no box is checked there will by more than . 1. 90 percentage points at any Change Date, wer's monthly payments will change as provided in the Note. Interest in the interest rate will result in lower page.
and the that the loan secured have	in the interest rate will result in the Note. In-
loan man is interpreted so that the included security I	instrument is subject to the payments.
necessary of other	loan charges and law which sets maximum
ed permitted limits will be charge to the permitted limits	then: (A) any such loan charge shall be reduced by the amount der may choose to make this refund by reducing the principal
owed under the Note or by making a direct payment to Lender determines the refunded to Borrower. Lender determines the refunded to Borrower. Lender determines the refunded to Borrower.	nd (B) any sums already collects to reduced by the amount
C. PRIOR LIENS or by making a direct navment	der may choose to make this and Borrower which exceed
If Lender determines the	o Borrower.
which has priority over this can any part of the sa	lime comments
shall promptly act with record Instrument, Lende	mins secured by this Security Instrument
secure an agreement in a form satisfactory to Lender st.  D. TRANSFER OF THE PROPERTY  If there is a transfer of the Property subject to para an increase in the current Note interest.	to Borrower.  In Borrower which exceed- to Borrower.  The principal was secured by this Security Instrument are subject to a lien in paragraph 4 of the Security Instrument or shall promptly ubordinating that lien to this Security Instrument
D. TRANSFER OF THE PROPERTY  If there is a transfer of the property	ubordinating at of the Security Instrument
an in a transfer of the Property	Strate hen to this Security Instant promptly
terest rate of the current Note interest rate	graph 17 of the g
waiving the arrive (if there is a limit), or (3) a characteristic (12) an increase waiving the arrive (13) a characteristic (13) a c	graph 17 of the Security Instrument, Lender may require (1) ease in (or removal of) the limit on the amount of any one interest in the security of these, as a condition of Lender's
By signing at it accelerate provided in any	Base Index figure (1) the limit on the amount of any require (1)
By signing this, Borrower agrees to all of the above.  Or minus of	17. The sale, of all of these, as a condition of I and it
or minus throw the interest rate addi-	stments during the life of the loan of plus
three (± 3.00) percentage	stments during the lie
meage po	ints.
	Ken Black (Seal)
	-Borrower
	Marcia Black Seal
	(Cour)
	-Borrower
* If more than one box is checked or if no box is checked, and Lender and Borrower and ADJUSTABLE RATE LOAN RIDER—8:81—FHLMC UNIFORM INSTRUMENT	
ADJUSTABLE RATE LOAN RIDER—8/81—FHLMC UNIFORM INSTRUMENT	
NIDER-8/81-FIRMC UNIFORM INSTRIBUTED	do not otherwise agree in writing the firm
STATE OF ORDER	Just Index named will apply.
STATE OF OREGON: COUNTY OF KLAMATH: ss.	44295-4 SAF Systems and Forms
UICU INF Pennal	and the second of the second o
Filed for record at request of Mountain Title Comp of June A.D. 19 87 at 3:22	
A.D. 19 87 TILLIE Comp	Pany
of Mortgages o'cloc	k P M., and duly the 24th
FEE \$21.00	on Page 11007 day
Ev	elyn Biehn, County Clerk  By
	By Clerk
	The Me