Vol. M88 Page 5425

Loan #04-42451

86085 MTC #19543-K

After recording please return to:

KLAMATH FIRST FEDERAL S&LA 2943 SOUTH SIXTH STREET KLAMATH FALLS, OREGON 97603

-- [Space Above This Line For Recording Data]

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on <u>April 8</u> 19....88.. The grantor is <u>Robert H.</u> Redderson and Deborah S. Redderson Utility of Structure April 8 ("Borrower"). The trustee isWilliam L. Sisemore ("Trustee"). The beneficiary is

secures to Lender: (a) the repayment of the deor evidenced by the Note, with interest, and an renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Interest and the security of the security of the security of the security of the security is the security of the security of the security is the security of the security is the security of the security of the security of the security is the security of the s Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and *(d) The repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to the paragraph below ("Future 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 promissory notes stating that said notes are

secured hereby.

Please see attached Exhibit "A"

which has the address of <u>1026 Hanks Street</u> [City]

("Property Address");

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 bereafter a part of the property. All conferences and additions shall also be covered by this Security Instrument. All of the appurtenances, rents, royantes, mineral, on and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and coavey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend concredibly the title to the Property equiption of the property of the pro

and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with

limited variations by jurisdiction to constitute a uniform security instrument covering real property.

OREGON-Single Family-FNMA/FHLMC UNIFORM INSTRUMENT

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

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

UNIFORM COVENANTS. Borrower and Lender covenant and agree as tollows: **I. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due ncipal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note Fayment of Frincipal and Interest; Frepayment and Late Charges. Borrower shall promptly pay when a the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.
Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender. Borrower shall promote the Note. A sum ("Funde") 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 one-twelfth of: (a) vearly taxes and assessments which may attain priority over this Security Instrument. (b) yearly

to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold navments or ground rents on the Property if any: (c) yearly hazard insurance premiums; and (d) yearly leasehold navments or ground rents on the Property if any: (c) yearly hazard insurance premiums; and (d) yearly leasehold navments or ground rents on the Property if any: (c) yearly hazard insurance premiums; and (d) yearly leasehold navments or ground rents on the Property if any: (c) yearly hazard insurance premiums; and (d) yearly leasehold navments or ground rents on the Property if any is the property if any is the property if any is the property is the property is the property if any is the property is one-twelith of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the leasenoid payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or generative funder if Lender is such an institution). Lender shall apply the Funds to pay the eccrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a tederal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. I ender may not charge for holding and applying the Funde analyzing the account or verifying the escrow items unless. 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 Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funde 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 requires interest to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. I ender 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. Lender the funds and the fun

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. Lender nurnose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument curity Instrument. If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to a dates of the escrow items, shall exceed the amount required to now the escrow items when due, the excess shall be

It 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 the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due. Borrower shall pay to Lender any 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 Funds. If the amount necessary to make up the deficiency in one or more payments as required by Lender shall pay to Lender any amount of the Funds here by Lender is not summer to pay the escrow items when due, bo amount necessary to make up the deficiency in one or more payments as required by Leider. Unon payment in full of all sums secured by this Security Instrument I ender shall In necessary to make up the denciency 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 shald by Lender. If under paragraph 10 the Property is fold or acquired by Lender. Londer 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 runds 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 apply, no later application as a credit against the sums secured by this Security Instrument.

application as a credit against the sums secured by this Security Instrument. ation as a credit against the sums secured by this Security Instrument. 3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under anhs 1 and 2 shall be applied: first to late charges due under the Note: second to prepayment charges due under the

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note: third to amounts payable under paragraph 2. fourth to interest due; and last to principal due under the Note; the principal due under the 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 1v which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, 4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Rorrower shall pay these obligations in the manner provided in paragraph 2 or if not paid in that manner Rorrower 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 I ender 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. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. pay them on time directly to the person owed payment. Borrower shall promptly turnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments receipts evidencing the payments. ts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender. (b) contests in good Borrower snall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by or defends against enforcement of the lien in legal proceedings which in the Lender's opinion operate to agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property: or (c) secures from the holder of the lien and

latth the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinaring the lien to this Security Instrument. If Lender determines that any part of the lien and the lien to the security instrument. If Lender determines that any part of the lien and prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien 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 lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days the Property is subject to a tien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice giving of notice. 5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property ^{1 against loss by fire hazards included within the term "extended coverage"} and any other hazards for which Lender

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insurance 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 Insured against loss by fire, hazards included within the term "extended coverage" and any other nazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance shall be chosen by Borrower subject to Lender's approval which shall 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 unreasonably withheld. 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 and a requires. Borrower 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, Borrower shall give prompt notice to the insurance

Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to Lender carrier and Lender Lender may make proof of loss if not made promptly by Borrower. carrier and Lender. 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 Property damaged, if the restoration or repair is economically feasible and I ender's security is not lessand. 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 restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be of the Property damaged, if the restoration or repair is economically leasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sume secured by this Security Instrument, whether or not then due, with any excess haid to Borrower. If restoration or repair is not economically teasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons 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. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to suttle a claim, then Lender may collect the insurance proceede. Lender may use the proceeds to renair or restore Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin Othere to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the potice is given the notice is given. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting Postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the 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 Instrument immediately prior to the acquisition

ment immediately prior to the acquisition. 6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially a the Property allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold 6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merse unless Lender agrees to the merger in writing 7. Protection of Lender's Rights in the Property; Mortgage Insurance. 7. Frotection 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 I ender's rights in the Property (such as a proceeding in bankruntey 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 faws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property Lender's actions may include paying any sume 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 r may take action under this paragraph /, Lender does not have to do so. Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this to Instrument, Unless Rorrower 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 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.

enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (of 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. These conditions are that Borroware apprication and may specify for remistatement) 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) name Londer all some which then would be due under this Security Instrument and the Note had no acceleration. (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration (a) pays Lender an sums which then would be due under this security instrument and the front 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 Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to accura that the lien of this Security Instrument. Londer's rights in the Property and Percenter's and the Property and Percenter's rights in the Percenter's right Security instrument, including, out not inflice to, reasonable attorneys lees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to have the sume secured by this Security Instrument shall continue unchanged. Upon reinstatement by 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 obligation to pay the sums secured by this becurity firstrument shan continue unchanged. Opon remstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had because of acceleration under paragraphs 13 or 17 occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

to not less than 50 days from the date the notice is derivered of maned within which borrower must pay an sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any romatics parmitted by this Security Instrument without further notice or demand on Porrower. 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 a mont of this Counting Instrument discontinued at any time prior to the parties of (a) 5 days (or such other parties as to, porrower's Kight to Reinstate. If borrower theers 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 tax: may conside for rainstatement) before sale of the Broperty pursuant to any power of sale contained in this

Haw as or the date of this Security Instrument. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period are than 30 days from the data the notice is delivered or public within which Borrower must now all sume secured by of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Contribution of this pariod. I and a may invoke any

10. Dorrower's Copy. Dorrower shall be given one conformed copy of the indie 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 t in it is sold or transferred for if a baneficial interest in Borrower is sold or transferred and Borrower is not a patient 17. Transfer of the Froperty of a beneficial interest in borrower. If an of any part of the Froperty of 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 personal without I under's prior written concent. I and a more at its aption require immediate payment in full of all turns interest in a is sold of transferred (of it a ocheniciar interest in borrower is sold of 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 ensured by this Security Instrument. However, this option shall not be avarcised by Lender if oversise is prohibited by person) without Lenger's prior written consent, Lenger may, at its option, require influenciate payment in run of an 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. federal law as of the date of this Security Instrument.

15. Governing Law; Severability. This Security instrument shall be governed by rederal 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. Jurisdiction in which the property is located. In the event that any provision or clause of this Security Instrument of the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this and the 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 of the indice which are declared to be coverable. 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 Renoficial Interact in Rorrower If all or any part of the Property or any

Froperty Address of any other address borrower designates by notice to Lender. Any notice to Lender shall be great of any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided inst class man to Lender's address stated nerem or any other address Lender designates by notice to bollower. 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. paragraph. **15. Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the trian in which the Property is located. In the avery that any provision or clause of this Security Instrument or the

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by or it by first class mail unless applicable law requires use of another method. The notice shall be directed to the 14. Notices. Any notice to borrower provided for in this security instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Porrower designates by notice to Londer. Any notice to Londer shall be directed to the maning it by first class man 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 I ender's address stated herein or any other address I ender designates by notice to Borrower. Any notice

rendering any provision of the react of this occurry first uncht unemorecaute according to its terms, termer, actis option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies normitted by paragraph 10. If I ander evergises this option. I ander shall take the stars specified in the second paragraph of If enactment or expiration of applicable laws has the effect of may require manediate payment in run of an 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

necessary to reduce the charge to the permitted limit; and (0) any sums an easy concerct non-portower which executed 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 permitted mints will be related to borrower. Lender may choose to make this related 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 propagation without any propagation charge under the Note. partial prepayment without any prepayment charge under the Note. is, Legislation Allecting Lender's Rights. It chactment of 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 cume cooured by this Security Instrument and may invoke any remediate

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. (c) any such loan charges chall be reduced by the amount If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is many interpreted so that the interest of other loan charges concerculor to be concerculin connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount processory to reduce the charge to the permitted limit, and (b) any sums already collected from Borrower which exceeded necessary to reduce the charge to the permitted limits, then: (a) any such to an enarge 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. Londer may choose to make this refund by reducing the principal owed

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of paragraph 17 Rorrower's covenants and agreements shall be joint and several. Any Rorrower who co-signs this Security 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 consigning this Security Instrument only to mortance, areat and convey the paragraph 17. Borrower's covenants and agreements shan 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 interact in the Broperty under the terms of this Security Instrument. (b) is not personally obligated to pay instrument out does not execute the ivote: (a) is co-signing this security instrument only to mortgage, grain and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sume secured by this Security Instrument; and (c) correct that I ender and any other Borrower may agree to extend 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 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

Lender shan not be required to commence proceedings against any successor in interest or refuse to extend time to payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Rorrowar or Rorrowar's successors in interest. Any forhearance by Londer in exercising any right or remedy 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. of be a waiver of or precise the exercise of any right or remeay. 11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of curity Instrument shall hind and benefit the successors and assigns of Lender and Borrower, subject to the provisions

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or not the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or 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 sume secured by this Security Instrument granted by Lender to any successor in 10. Dorrower twoi Released; roroearance by Lender twoi a waiver. Extension of the time for payment of modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Porrower chall not operate to relace the liability of the original Porrower or Porrower's successor in interest mouncation of amountzation of the sums secured by this becurity 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. I ender shall not be required to commence proceedings against any successor in interest or refuse to extend time for Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for navment or otherwise modify amortization of the sume secured by this Security Instrument by reason of any demand made

make an award or serve a claim for damages, borrower fails to respond to Lenger within 50 days after the date the nonce 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 sume secured by this Security Instrument, whether or not then due to the sums secured by this Security Instrument, whether or not then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to a sward or cettle a claim for damages. Borrower fails to respond to Lender within 30 days after the data the notice is is the isopercy is abandoned by bollower, or it, alter nonce by Lender to bollower that the consention onces 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 I ender is authorized to collect and apply the proceede, at its option, either to restoration or repair of the Property or

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 sume secured by this Security Instrument shall be reduced by instrument, whence of not men use, with any excess paid to borrower. In the event of a partial taking of the rioperty, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceede multiplied by the following fraction: (a) the total amount of the sume secured immediately the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking. Any balance shall be the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking. Any balance shall be proved to Rorrower

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with advantation or other taking of any part of the D-operity or for conveyence in light of condemnation, are barely **9.** Condemnation. The proceeds of any award of claim for damages, direct of 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 I ender In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security ment, whether or not then due, with any excess paid to Rorrower. In the event of a partial taking of the Property.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender ive Rorrowar notice at the time of or prior to an inspection specifying reasonable cause for the inspection. a respection. Length of its agent may make reasonable entries upon and mappeditons of the riope shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.
a Condemnation The proceeds of any award or claim for demages direct or consequential in conn assigned and shall be paid to Lender.

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

5428

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 specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and 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, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by 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 legally entitled to it. Such person or persons shall pay any recordation costs.

22. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

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

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

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

Adjustable Rate Rider

Condominium Rider

2-4 Family Rider

Graduated Payment Rider

Planned Unit Development Rider

Other(s) [specify]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Proto H. Reddelason	- (Seal)
Robert H. Redderson	-Borrower
Delionand Redderson	(Seal)
Deborah S. Redderson	-Borrower

--- [Space Below This Line For Acknowledgment] --

OREGON. STATE OF SS COUNTY OF KLAMATH

The foregoing instrument was acknowledged before me this.......April 8, 1988.

Robert H. Redderson and Deborah S, Redderson (person(s) acknowledging)

My'Commission expires: 10-13-90

44770

Out I Trige (SEAL) Notary Public

٠.

Í

(date)

This instrument was prepared by. Klamath First Federal Savings and Loan Association

18908-P Order No.:

5429

EXHIBIT "A" LEGAL DESCRIPTION

Lot 4, Block 6, BUENA VISTA ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Also, that portion of Lot 7 in Block 6 of BUENA VISTA ADDITION to the City of Klamath Falls, more particularly described as follows:

Beginning at a point on the Northerly line of Buena Vista Street at the intersection of the Northerly line of Buena Vista Street and the line between Lots 7, 9, and 10 in said Block 6; thence Northwesterly along the line between Lots 7, 9 and 10, 87 feet, more or less, to the Northerly line of Lot 7; thence Southwesterly along the Northerly line of said Lot 7, 45 feet to the true point of beginning of the tract to be herein described; thence Southeasterly and parallel to the line between said Lots 7, 9 and 10 to the North line of Buena Vista Street; thence Southwesterly along the North line of Buena Vista Street to a point of intersection of a line between Lots 4 and 5 of said Block 6, if extended, would intersect the North line of Buena Vista Street; thence Northwesterly, 38 feet more or less, along said line between said Lots 4 and 5 if extended, to the Northerly line of Lot 7; thence Northeasterly along the North line of Lot 7 to the true point of beginning.

Tax Account No.: 3809 019CD 02800

STATE OF OREGON: COUNTY OF KLAMATH: SS.

STATE OF OREGON. COUNTY OF THE	the <u>11th</u> day
Filed for record at request of <u>Mountain Title co.</u>	clock P_M., and duly recorded in Vol. M88,
of April A.D., 1986 at	
ofrorregueer	Evelyn Biekh County Clotk By Dernetha Hohelsch,
FEE \$25.00	By Mericente T