(a) pays Lender an sums which then would be due under this occurry instrument and the Note had no acceleration (courred; (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' feest and (d) takes such action as Lender may (courred; (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 life of this Security Instrument, Lender's rights in the Property and Borrower's oblication to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by 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 consistent while not apply in the asse of acceleration under paragraphs 13 or 17 cocurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

If Lender exercises this option, Lender shall give Berrower notice of acceleration. The notice shall provide a period less than 30 days from the date the notice is delivered or mailed within which Borrower must have all some resumming the If Lenger exercises this option, Lenger shall give berrower nonce of acceleration. The nonce 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 the control of the period of the period of the period. this Security Instrument. If Borrower fails (0 pay these sums prior to the expiration of this period, Lender may invoke any invoke a remedies permitted by this Security Instrument without further notice or demand on Borrower. 18. Borrower's Right to Reinstite. If Borrower meets certain conditions, Borrower shall have the right to have among of this conditions. Borrower shall have the right to have among of this conditions. 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 a pplicable 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 judger ent enforcing this Security Instrument. These conditions are that Borrower.

Security Instrument: or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) page 1 ender all sume which then would be due under this Constitu Instrument and the Note had no consideration (a) pays Lender all sums which then would be due under this Security Instrument, those commons are that borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration (contrast, (b) curve any definit of any other commons or corresponder (c) have all expenses incurred in enforcing this

17. Transfer of the Property of a Beneficial Interest in Borrower. If all or any part of the Property of the p 17. Transfer of the property of a beneficial interest in borrower. If all or any part of the property 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 property without I order's prior write property of any provide provide provide any part of the foll of all source meres in it is sold of transferred (of it a beneficial interes: 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 fouries by this option shall not be avaraised by Lender if everyies is prohibited by secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by

Note connects with appricable law, such connect shall not allect other provisions of this security instrument of the twole 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 cavarable 16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.
 17. Transfer of the Property of a Reneficial Interest in Performer. If all or any part of the Property or any

Paragraph.
15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the sting in which the Property is located. In the stant that any provision or clause of this Security Instrument or the stant. 15. Governing Law; Sever. 1011119. This Security instrument shall be governed by lederal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflict with applicable low. Such conflict shall be offset 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 becurity instrument or the Note Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which are the clause of the provisions of this Security Instrument or the Note the security instrumen Note are declared to be severable.

14. Ivolices. Any nonce to borrower province for in this occurry instrument shart of given by derivering it of or mailing if by first class mail unless applicable law requires use of another method. The notice shall be directed to the Departure derivative by notice to Lender. Any notice to Lender shall be given by matting it by first class man unites 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 stared herein or any other address Lender designates by notice to Borrower. Any notice for any other address Lender designates by notice to Borrower. Any notice is a start of the start Froperty Address or any other address borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this contribut Instrument shall be deemed to have here given to Borrower or Londer when given as provided provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided

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 sume required by this Security Instrument and may involve any required. may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies parameter to option. London shall take the store empirised in the second parameter of If enactment or expiration of applicable laws has the effect of 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 **14.** Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by a it by first slass mail unlike combinities has a structure were of prother method. The notice shall be directed to the

permitted mints will be returned to borrower. Lender may encose to make this return 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 postion permitted without any pressure of abore under the Note. partial prepayment without any prepayment charge under the Note.

charges, and that law is many interpreted so that the interest of other ioan charges conjected or to be conjected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount pressent to reduce the charge to the permitted limits and (b) any sums already collected from Borrower which exceeded connection with the total exceed the permitted finits, then: (a) any such total charge shall be refunded to Borrower. Londer may shows to make this rating by reducing the principal organized on the permitted limit, and (b) any sums already collected from Borrower which exceeded to Borrower. Londer may shows to make this rating by reducing the principal organized o 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

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan secured that the interact or other loan charges collected or to be collected in 12. Loan charges. If the loan secured by this Security Instrument is subject to a law which sets maximum ioan 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 around the permitted limits, then (a) any such loan charges collected by the amount

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 coverants and agreements shall be joint and coveral. Any Borrower's coverants and agreements shall be joint and coveral. Any Borrower's coverants and agreements agreements agreements agreement agreemen Inside on the first under share on a and other the successors and assigns of Lenger 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 evaluate the Note: (a) is consigning this Security Instrument only to mortage agant and convey Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Forrower's interest in the Property under the terms of this Security Instrument (b) is not perconally obligated to pay that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sume secured by this Security Instrument; ord (c) arreas that Londer and any other Borrowire may arres to extend that borrower's interest in the ripperty under the terms of this Security instrument; (o) 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 forhear or make any accommodations with record to the terms of this Security Instrument or the Note without the sums secured by this security first union; and (c) agrees that bender 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 concent that Borrower's consent.

Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for newmant or otherwise modify superior of the sume secured by this Security Instrument by reason of any demand made 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 Borrowards Powerses in interest. Any factorement by Lender in particulation of any demand made payment or otherwise modify antornzation of the sums secured by this becarity first unient 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. of be a waiver of or preclude the exercise of any right or remeay. 11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of another both bird and broofs the provisions of London and Borrowar, subject to the provisions

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payments or payments of amortization of the sume control by this Society Instrument granted by Lender to any successor in 10. Duriower ivot released; rorbearance by Lender ivot a valver. 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 interact of Portowards had to release the linkibility of the ariginal Portowards of Portowards interaction in interact. interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest.

thake an award of section contain for damages, borrower rans to respond to Lender 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 coursed by this Scongity Instrument, whether or not then due Sums source of the popular payments referred to in party ranks 1 and 2 or shares the amount of such asymptote postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. 10 Reference Ry Lender Not a Waiver Extension of the time for payment or

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 it claim for damages. Borrower fails to respond to Lender within 30 days after the date the notice is aiven. Lender is authorized to collect and apply the precercle at its option, either to restoration or repair of the Preparity or

the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking. Any belance shall be before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this secured of the Society in Security Instrument, whether of not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Landar or horwise agree in writing the sums secured by this Security Instrument shall be reduced by unless Borrower and Linder 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.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with indemnation or other taking of any part of the Property or for conveyance in lieu of condemnation, are hereby. **5.** Contemnation, The proceeds of any award or claim for damages, uncer 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 accioned and shall be paid to Lender

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender o. Inspection. Lender or its agent may make reasonable entries upon and inspections of the rroped shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.
 O. Condemnation. The proceeds of any award or claim for demages direct or consequential in constant.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, El Lender required mortgage insurance as a condition of making the toan secured by this security this unient, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in (coordance with Porrowark and Londor's written or complicable law borrower shart pay the premiums required to mannant the insurance in enect unit such time as the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

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NON-UNIFORM COVENANTS. Borre wer 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 Sccurity 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 remecies 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 Landar'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 biddler 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 the rein. 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

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

21. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to this Security Instrument. 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 covenant; 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)] XX Adjustable Rate Rider

Condominium Rider

2-4 Family Rider

Planned Unit Development Rider

Graduated Payment 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.

Henry J. Caldwell, Jr. (Seal)
Deborah L. Caldwell -Borrower
[Space Below This Line For Acknowledgment]
STATE OF Oregon COUNTY OF Klamath
The foregoing instrument was acknowledged before me this
My Commission expires: 7-6-90 Notary Public
This instrument was propared byKlamath First Federal Savings and Loan Association

44770

#09-13613

MTC #20027

13348

ADJUSTABLE RATE LOAN RIDER

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

be deemed to amend and supplement the Mcrtgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to KLAMATH, FIRST FEDERAL, SAVINGS AND, LOAN ASSOCILATION. (the "Lender") of the same date (the "Note") and covering the property described in the Security instrument and located at . 5656 Denver Avenue, Klamath Falls, Oregon, 97603. Propenty Address

Modifications. In addition to the covenants and agreements made in the Security Instrument, Borrower and

Lender further covenant and agree as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES The Note has an "Initial Interest Rate" of9.75. . %. The Note interest rate may be increased or decreased on the

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: . 12. months thereafter.

(1) 🗆 * "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major [Checl: one box to indicate Index.]

Types of Lenders" published by the Federal Home Loan Eank Board. (2) X* .Federal Home Loan Bank of San Francisco Eleventh District Institutions ...

....Monthly.Weighted Average Cost of Funds..... [Check one box to indicate whether there is any maximum limit on changes in the interest rate on each Change Date; if no box is checked there will

be no maximum limit on changes.]

X The interest rate cannot be changed by more than 1.00. percentage points at any Change Date. If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. In-**SEE NOTE creases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments. BELOW

B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, then: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (13) 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 Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien C. PRIOR LIENS which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lier, as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) D. TRANSFER OF THE PROPERTY ar. increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

**With a limit on the interest rate adjustments during the life of the loan of plus or

minus three (±3.00) percentage points.

Henry J. Caldwell, Jr. -Borrower

Dernich & Doedweel (Seal) Deborah L. Caldwell -Borrower

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of MOILSuges County Clerk	
By Sauline Mullanata	
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