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[I. Protection of Leader's Rights in the Property; Morreage fasterness. If Service the results and agree ments contained in this Security Instruments of there is a least transfer. S. Leger votion and Maintenance of DEED OF TRUST Instrument immechately prior to the ecquisition. THIS DEED OF TRUST ("Security Instrument") is made on September 13, 19.88... The grantor is the Jeffrey S. Bradford and Mary J. Bradford, Husband and Wife dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Notes For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in Klamath County, Oregon: \*(d) The repayment of any future advances; with interest thereon, made to Borrower 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 to a new super was atom produce over the sound that said notes are assessed, superson, superson, improved an appropriate the few of the secure that said notes are EDEOT: 7; Block: 89; BUENA WISTA 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. TOGETHER WITH that portion of vacated alley which inwred thereto. Tax Angesting in 13809 029CB 03200 (Tax Account No. 3809 029CB 03200 (Tax pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lewist all anxies of anomor in barnate that the person of the payment is barnate under the person of the person of the payment. Froperty which may attain priority over this Security instrument, and least-bond payment or ground rocks if any Borrawer shall pay these obligations in the manner provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners, has over staining the provided in paragraph 2, or it and paid in that minners is an interest of the paragraph 2, or it and paid in the paragraph 3. \*SEE ATTACHED ADJUSTABLE RATE LOAN RIDER MADE A PART HEREIN. Note, third, to amounts payable under paragraph 2, fourth, to interest due, and institution in the land that application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all supporters are read to trader the paragraphs I and 2 shall be applied first, to late charges due under the Note; second, to prepayment charges due to be taken to be taken to be applied first, and a charges the interest does not be applied first, and a subject to interest does not be applied. their nomediately prior to the sale of the Property or its acquisition by Lender, they Funds held by Lender or the time of any Funds held by Lender. If under paragraph 19 the Property is sold or adquired by Lender, Lender, Ferral apply no later Upon payment in full of all sums escured by this Security Instrument. Leater shall promine, reland to therewer amount necessary to make up the deficiency in one or more payments as required by Lender. amount of the fauds held by Lender is not sufficient to pay the escrow items when due; that to excell pay to it sides say if the amount of the Funds held by Lender, rogether with the luture monthly passential productions is reduced to the dates of the eartow items, shall exceed the amount required to pay the eartow items when the the recent the amount required to pay the eartow items when the region of Funds if the at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds if the amount of the founds ball to be brader in not difficult to reach the second upon the founds of the boarder is not difficult to reach the second upon the founds. Which has the address of .325. Fulton Street

Street Representation of the control of the contro TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the !! Property. " or a property in a many 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 hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. to I sug 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. the principal of and interest on the debt evidenced by the Noteaug any prepayment and laterin I. Payment of Principal and Inforest: Propagation and Later Source Studios Covenants Burnayers: Propagation Covenants Burnayers: Pro

ONECON—200810 LSLIDIX—EMMEALIFME IMPLORM INSUSTMENT
UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

panti 2. Funds for Taxes and Insurance: Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note; until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the hosis of current date and reasonable estimates of future escrow items.

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 state agency (including Lender if/Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender may Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the 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.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any

amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of

application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 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.

4. Charges; Liens. Borrower shall pay all taxes; assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay 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

receipts evidencing the payments.

Receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be

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

carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and

fee title shall not merge unless Lender agrees to the merger in writing. If Borrower fails to perform the 7. Protection of Lender's Rights in the Property; Mortgage Insurance. covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or 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 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 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

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