*** 71260 here so the the パルラッスA11:08ではVD. Western Vol. である。 Page 30039 Return To: Might all as the terror very length of the Leave Terror to the Miles of the Leave Terror to the Jackson County: 1111e; Grand to recombinate to Proximate the installment of the control of the c Medford; Oregon 97504 the property of the prop Annual survey trainer and the survey entire entire the property of the survey of the s origen providen menerari a empere risanagin da providente ingline approvidente de la la comparte con la compar Original de la comparte de la compa as by the configuration of the control of the contr THIS DEED OF TRUST ("Security Instrument") is made on November 09th 1993 . The grantor is ALFRED L. HILLARD. and VICTORIA L. HILLARD. THE SAME STATE S er nato ferlano a senso de marco por ou de la planta de la proposición de la como de la endus estado antido de acordo tente de acordo entra de acordo de acordo de acordo de acordo de acordo de acordo Al los de acordo de acordo tente de acordo d on to constitute and the constitution of the c ("Borrower"). The trustee is KLAMATH COUNTY, TITLE CO. Dog of the property of P.O. BOX 151, KLAMATH FALLS OR 97601 Figure of the state ("Trustee"). The beneficiary is JACKSON COUNTY FEDERAL BANK AFEDERAL SAVINGS BANK The state of A controlled to the state of th which is organized and existing under the laws of the United States. Ender the principal sum of address is 1225 CRATER LAKE AVENUE

FIFTY SEVEN THOUSAND SIX HUNDRED AND 00/100 EU AND 00/100 Dollars (U.S. \$ 57,600.00). MEDFORD, OR 97504 This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 01st, 2023 Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note: For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described

LOT 2 IN BLOCK 11 OF TRACT 1064 FIRST ADDITION TO GATEWOOD. property located in KLAMATH.

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which has the address of 5076 SOUTHVIEW DRIVE; KLAMATH FALLS ("Property Address"); Oregon [Zip Code]

OREGON - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT Amended 5/91 -6R(OR)(9212)

VMP MORTGAGE FORMS - (313)293-8100 - (800)521-7291 Initials: Initials: // Initials: Page 1 of 6



TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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 convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. 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.

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") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. 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. Borrower and Lender may agree in writing, however, that interest shall be paid 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 all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve

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 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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.

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 (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

Security instrument, Lender may give nonower a nonce identifying the neit. Dollower shall satisfy the neit of take one of more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter creeted on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, 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 unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall All insurance poucies and renewals snau pe acceptable to Lender and snau include a standard mortgage clause. Lender snau have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid nave me ngnt to note the poucies and renewals. It Lenter requires, nontower snau promptly give to Lender an receipts of pand made area of loss if not made appropriate by Romania by Romania by Romania promption by Romani

premiums and renewal nonces. 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 I ender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair is not economically feasible or Lender's security would be lecented the incurance proceeds chall be applied to the cums Property damaged, it the restoration or repair is economically leasible and Lender's security is not research. 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 repair is not economically leastone or bender a security would be ressented, the insurance procesus sum be apputed to the security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the settle a claim than 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 of not men 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 1 and 2 or change the amount of the payments. If under paragraph damage to the 21 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 I ander to the available of the sums secured by this Cacurity Instrument immediately. Property is acquired by Lenuer, 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

or to the acquisition.
6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of Borrower snau occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal residence for at least one year after the property as Borrower's principal resid this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless allow the Property to deteriorate or commit waste on the Property Rorrower shall not destroy, damage or impair the Property. extenuating circumstances exist which are beyond Borrower's control. Borrower snau not destroy, damage or impair the Property allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or commit waste on the Property and faith independent of the Property anow the Property to deteriorate, or commit waste on the Property. Borrower snan be in detault it any torreture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or the property of t proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in fortesture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and rejected as provided in passage the causing the casion of the distribution of the distribution of the casion otherwise materially impair the tien created by this Security Instrument or Lender's security interest. Horrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in the lien created by this Security Instrument or I ender's security interest in the Property or other material impairment of the Borrower shall also be in default if Borrower during the Lender's good faint determination, precindes fortening of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations any material information) in connection with the loan evidenced by the Ivote, including, but not immed to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower acquires fee title to the Property the leasehold and the fee title shall concerning Borrower's occupancy of the Property as a principal residence. It this Security instrument is on a leasening, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall

not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the 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 hankruntey probate for condemnation or forfeiture or to enforce laws or regulations) then Lender may do and have proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay to under the value of the Property and Lander's rights in the Departy Lander's estions may include proceeding in bankrupicy, probate, for condemnation or fortesture 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 the property and Lender's rights in the Property. Lender's actions may include the property and Lender's rights in the Property. 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 and appearing on the Departy to make repairs. Although I and a may take setting under this paragraph 7. I and a property to make the paragraph 7. I and a par paying any sums secured by a new winch has priority over uns 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

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Any amounts disbursed by Lender under this paragraph / snau become auditional debt of borrower secured by this security linear 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.

Another and Insurance Insurance

8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to mortgage insurance coverage required by Lender lapses or ceases to be in effect, norrower snatt pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the contemporary in effect, from an alternate mortgage insurance coverage is not available. Borrower shall pay to Lender each month a sum could to cost to Borrower of the mortgage insurance previously in effect, from an atternate mortgage insurance approved by Lender. It substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to substantially equivalent mortgage insurance coverage is not available, Borrower snau pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to one-twenth of the yearly morigage insurance premium being paid by Borrower when the insurance coverage tapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of morigage insurance. Loss reserve in lieu of morigage insurance. Loss reserve in the option of Lender if mortgage insurance coverage (in the amount and for the period payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period payments may no longer of required, at the option of Lenter, it mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any 10. Congemnation. The proceeds of any award of claim for damages, direct of consequential, in connection with any condemnation of other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and state of the property of the Prop

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security. whener or not men due, wan any excess paid to Borrower. In the event of a partial taking of the Property in which the taking is equal to or greater than the amount of the sums secured by this Security. Value of the property immediately before the taking is equal to or greater man the amount of 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 Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by the amount of the proceeds multiplied by the following fraction: (a) the total amount of taking. Any balance shall be raid to Borrower. In the event of a partial taking of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property in which the fair market value of the taking of the course of taking of tak Property immediately before the taking is less than the amount of the sums secured immediately before the taking is less than the amount of the sums secured immediately before the taking in writing or unless applicable law otherwise provides the proceeds shall be applied to the Property immediately before the taking is less than the amount of the sums secured immediately before the taking unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an action of the property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an action of the property is abandoned by Borrower, or if, after notice by Lender within 20 days of the property is action. I order award or settle a claim for damages; Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is anthorized to collect and apply the proceeds at its ontion either to restoration or renair of the Property or to the sums secured. award or setue a claim for damages; Borrower rails to respond to Lender within 50 days after the date the notice is given, Lender by this Security Instrument, whether or not then due.

by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of the sums secured by this Security Instrument granted by Lender to any successor in interest of Rorrower shall. 11. Borrower Not Released; Forbearance By Lender Not a Walver. Extension of the time for payment or modification of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not be required to

of amortization of the sums secured by this security instrument granted by Lender to any successor in interest of Borrower snau not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to operate to extend time for payment or otherwise modify amortization of not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the current by the critical Borrower or Borrower's successors. the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forhearance by Lender in exercising any right or remedy chall not be a waiver of or preclude the exercise of any

in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any 12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this 12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of unis paragraph 17 Rottower's covenants and agreements shall be joint and several Any Rottower who co-signs this Security. Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage grant and convey that paragraph 17. Borrower's covenants and agreements snau be joint and several. Any Borrower who co-signs his Security Instrument only to mortgage, grant and convey that secured by this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Rorrower's consent

make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent. to any accommodations with regard to the terms of this occurrity instrument or the prote without that borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, that the interest or other loan charges collected or to be collected in connection with the loan and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the nearly sand (b) any sums already collected from Romower which exceeded permitted limits will be refunded to Romower. permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be retunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to under the Note. The Note of the Note

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 another address applicable law requires use of another method. The notice shall be directed to the Property Address or another address of the Property Address or another address or addre by first class man unless applicable law requires use of another memod. The notice snau be directed to the Property Address of any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address of the control of the control

any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address. Lender designates by notice to Borrower. Any notice provided for in this Security. Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the property is located. In the event that any provision or clause 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 or the Note which can be Jurisdiction in which the Property is located in the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be a provision. To this end the provisions of this Security Instrument and the Note are declared to contucts with appurable law, such conflict snall not affect other provisions of this Security Instrument or the Note which can be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sender's prior written consent Lender may at its ontion require immediate navment in full of all sums secured by this Security Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security I ender if avarnica is prohibited by federal law as of the date of this Lender's prior written consent, Lender may, at its option, require immediate payment in tuil of all sums secured by unis security. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security of this period. Lender may involve any remedies remained than 30 days from the date the notice is derivered or mained within which borrower must pay an sums secured by this Security Instrument without further notice or demand on Dorrower this period, Lender may invoke any remedies permitted

by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as property pursuant to any power of cale contained in this Security enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred: (b) cures any Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender au sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any other covenants or agreements. (c) have all expenses incurred in enforcing this Security Instrument, including, but sums which then would be due under this Security instrument and the type as it no acceleration had occurred; (d) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this detault of any other covenants or agreements; (c) pays an expenses incurred in entoring his security instrument, including, our not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this security in the Property and Romower's obligation to have the sums secured by this Security not united to, reasonable attorneys Tees; and (a) takes such action as Lender may reasonably require to assure that the not of the Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument and the obligations secured Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of

[19] Sale of Note; Change of Loan Servicer. 50] The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or the Loan Servicer unrelated to a sale of the Note if there is a change of the Loan Servicer Rotrower will be more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be more changes of the coan Servicer unrelated to a safe of the Profession under the change of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and given withten notice of the change in accordance with paragraph 17 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property to the presence use or storage on the that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law governmental or regulatory agency or private party involving the Froperty and any mazardous substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of 21. Acceleration; keinedies, Leider snan give notice to borrower prior to acceleration tonowing borrower's oreacn of 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 option, may require immediate payment in inn or an sums secured by this security instrument without rurtner 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 21, including, but not limited to, reasonable

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 m each county in which any part of the Property is located. Lender of 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 country of the forms designated in the notice of sale in one or more parcels and in one order. Trustee applicable law, request, without demand on positives, shad sen the review of all public auction to the inguest officer 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

22. 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.

23. 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

24. Attorney's Fees. As used in this Security Instrument and in the Note, "attorneys' fees," shall include any attorneys' fees awarded by an appellate court. A CONTRACTOR STATE OF THE STATE

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Security Instrument, the covenants and agreen the covenants and agreements of this Security [Check applicable box(es)] X Adjustable Rate Rider Graduated Payment Rider Balloon Rider V.A. Rider	Condominium Rider Planned Unit Development Rider Rate Improvement Rider Other(s) [specify]	s Security Instrument. 1-4 Family Rider Biweekly Payment Rider Second Home Rider
BY SIGNING BELOW, Borrower accepts any rider(s) executed by Borrower and recorde Witnesses:	and agrees to the terms and covenants control with it.	ained in this Security Instrument and in
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STATE OF OREGON, KLAMATH CONTROL OF THE STATE OF THE STAT	refinite (Seal) in the later of the second section of the sect	(Seal) Borrower (Seal)
the foregoing instrument to be their My Commission Expires: 12–19–96 decomposition of the commission	voluntary act and deed Before me:	and acknowledged
SUSAN KENDLE 3856 SUSAN KENDLE	Notary Public for Oregon Notary Public for Ore	DERAL BANK AKE: AVENUE 7504
OFFICIAL SEAL DEBRA SUCKINGHAM NOTARY PUBLIC - OREGON COMMISSION NO. 020140 MYCOMMISSION EXPIRES DEC. 19.1996	\$P\$18.4 1.14 4.7 30 3.7 对比较不够的是有效的。 4.3 9.7 1. 有限的特殊的 法实际的 医疗性性病的 化对抗性抗性 化氯化化物 化二氯化物 化物物 化物物 化物物 化物物 化物物 化物物 化物物 化物物 化物物	Form 3038 9/90 Of the second

Loan No: 11843

ADJUSTABLE RATE RIDER

30045

(1 Year Treasury Index—Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 09th

1993 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's JACKSON COUNTY FEDERAL BANK, FSB

same date and covering the property described in the Security Instrument and located at:

(the "Lender") of the

5076 SOUTHVIEW DRIVE

, KLAMATH FALLS OR 97603

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of interest rate and the monthly payments, as follows:

%. The Note provides for changes in the

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of January 1st and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index, figure available as of the date 45 days before each Change Date is called the "Current

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice. (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND 750/1000

The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). percentage points (Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

The interest rate I am required to pay at the first Change Date will not be greater than or less than %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 10.750

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice. B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing. At the control of the states parties seemed appropriate perfect over the Otion where becomes a valiety of

nat less than 30 m - than his base the rion MULTISTATE ADJUSTABLE RATE RIDER; ARM 5-2 ; Single Family; Famile Mas/Freddle Mac Uniform Instrument

	30046
If Lender exercises this option to The notice shall provide a period o	require immediate payment in full, Lender shall give Borrower notice of acceleration not less than 30 days from the date the notice is delivered or mailed within which by this Security Instrument. If Borrower fails to pay these sums prior to the expiration by remedies permitted by this Security Instrument without further notice or demand on the sum of the sum o
of this period, Lender may invoke a	ny remedies permitted by this Security Instrument without the theorem and detection to the the Man and the security of the se
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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider. The property of the property of the state of the property of the proper factorists with the first Change that are finded the wattle beest so in their case. (Seal)

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STATE OF OREGON, County of Klamath

Filed for record at request of:

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WICTORIA L. HILLARD

Deputy: Deputy: VALUE TO THE TOTAL T

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