090-19-5746

After Recording Please Return To Klamath First Federal 540 Main Street Klamath Falls, OR 97601

Space Above This Line Fir Recording Data] -----

## DEED OF TRUST

Lebruary 21 THIS DEED OF TRUST ("Securit Its rument") is not leon lebruary 21.

The gravitar is John of Mallard and usan R. Millard, husband and wife ("Barrower" | The trusteet | ("Trustee") The beneficiary is William L. Silem to under the award the United States of America and whose addresss

540 Main Street. (lamith Falls ) 700.75 0.7201 Borrower wes Lorder the principal sum of the state of the ) This debt is evidenced by Borrower's note direct he same details one Security Instrume (CN tell, which provides for monthly payments, with the full debt, if not production during payable on March 10, 2020. This security Instrument pard parties, due and payable on estiles to Lende (a) the repayment of the 1 bt in denced in the Note with interest, and all renewals, extensions and mixed lications (b) the participant all other success to interest advanced under partigraph 7 to protect the security of this Security instrument to the performance of Ferrowe's coverants and agreements under this Security Instrument and the Note, and (d) the paragraph below to full eparagraph below to full reconveyance of the property by In the with interest there in a shall be secured by this end of the property by In the with interest there in a shall be secured by this end of the property by In the with interest there in a shall be secured by this end of the property by In the property secured berety. For this purpose, Borrover evocably grait, and convey to Trustee, in trust, with power of sale, the following described property occated in KL, rath. County, Oregon:

of 1, LEWIS TRACTS, according of the office of the County Clerk of Klamath ounty, Oragon.

Ac yunt No. 3809-0350 -09100

Key No. R449278

\*\*Attached Adjustable Rate Lider Maje A Fart Hereir

TINDER OREGON LAW, MOST AGRIEM VTS. PROMISES AND COMMITMENTS MADE BY US AFTER
THE EFFECTIVE DATE OF THIS CT CONCERNING COANS AND OTHER CREDIT EXTENSIONS WHICH
THE EFFECTIVE DATE OF THIS CT CONCERNING COANS AND OTHER CREDIT EXTENSIONS WHICH
THE NOT FOR PERSONAL FAMILY OR HOUSEHOLD I JRPOSES OR SECURED SOLELY BY THE BORROWER'S RISIDENCE M ST BE IN WRITING, | XPRESS CONSIDERATION AND BE SIGNED BY US TO BE NFOR EABLE

which his the address of 1624 - 1 32 wiard greet

Klamath Falls

1'603

("Property Acdress");

Decaylers. With a little improvements now or he eafter erected on the property, and all easements, rights, pourtenances onto revalues, mineral of and gas right, and profits, water rights and stock and all fixtures now or the earth of part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the theges give effer edition this Security listral nent as the "Property"

HORROY R CONNANTS that Borroy er is lawfully a sed of the estate hereby conveyed and has the right to grant or Leonvey the Froperty and that the Property is unencumed red, except for encumbrances of record. Borrower warrants end will defend cenerally the title to the Procerty against a I laims and demands subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with in ited variable risby jurisdiction to constitutina uniform security instrument covering real property

UNIFOR V COVENANTS Borrower and Lender cover and agree as follows:

1. Funds for Taxes and Insurance. Subject to apply able law or to a written waiver by Lender, Borrower shall pay has a structurent data and reasonable estimates of future escribintems.

the Eurasisha He held in an incitustate agency on cluding lender if Lencir is its pose for which each debit to the Eurics will ni Security In trument

the are untof he hands held by the fue fates of the estress thems, shall exceat Born wer sag ion inther promptly repair impunit state hands held by Lender is not amount recessary to make up the deficioncy

pen pes nent in full of all suns sec ary lication as a ledit against the sums a cut of by this Security Instrument

compts ividencing the payments

the Property is subject to a lien which has ittain priority ( of the groung of retice

intrasonably withheld.
All insurince policies and renew ils

Let der shall have the right to hold the polic il even to of pan preiniums and renewal no i per und Lence : Lender may make poof

I niess I in der and Borrower otherwis is the Piliperty Timaged of the restoration estoration or repair is not economically teas ion sed is the signs secured by this Security Betrower aband is the Property, or dees noffered to settle is laim, then Lender mer co-Le Property or to pay sums secured by his when the notice is given.

Unless Linder and Borrower otherwiwis pone the due late of the monthly payme rider paragraph. 4 the Property is acquired rate damage to the Property prior to the acco restrument insine frately prior to the acquisit.

6 Preser ation and Maintenance of hange the Property. How the Property to doctowe shall a nply with the provisions of ee litte shall not olerge uilless Lender agrees t

index rights in the Property (such as a I in der may take action under this paragraph. Lender does not have to do so

requesting payment

1. Payment of Principal and Letere t; Prepayment and Late Charges. Borrower shall promptly pay when due the processed of and inverest on the debt evidenced by the Nete and any prepayment and late charges due under the Nete.

ender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Flinds") equal to to two fifth of the year's taxes and assessments which may attain priority over this Security Institution, the yearly easehold payments or ground rents in the Property, if any, (c) yearly hazard insurance premiur is and (d) yearly in regade insurince premiums, if any Thesi items are called "escribbilities". Lender may estimate the Funds due on the

on the deposit or accounts of which are insured or guaranteed by a federal or uch in institut in). Lender shall apply the burds to pay the excrow items Lorder has not harve or holding and applying the Funds, analyzing the account or verifying the escrowateris, unless Lorder bass Borrower at trest on the Lun! and applicable law permits Lende, to make such a charge, Borrower and Lorder has agree in writing that interest shall be paid on the Funds Unless an agreement is made or applicable law required interest or be paid. Lender shall not be required to ay Borrowe, any interest or earnings on the Funds. Lender shell give to Borower without charge, an a mual occuming of the Funds showing credits and debits to the Funds and the smale. The Eur ds are pledged as ad littorial security for the sums secured by

inder togethe, with the future monthly payments of Funds payable prior to I the amount required to pay the escrib items when due, the excess shall be. to B scrower or credited to Isorrower on monthly payments of Funds. If the fficient to pay the escrowiteins wheredue. Borrower shall pay to Lender any one or more paymen's as required by Lender

red by this Schotty Instrument. Leider shall promptly refund to Borrower are Fai ds held by Lender. If under pari graph 19 the Property is sold or acquired by Lender, Lender, Shall apply, no later than immediate a prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of

3. Application of Payments. Unless apri cable last provides off erwise, all payments received by Lender under catagraphs Land 2 shall be applied firs to techarges due under the Note second, to prepayment charges due under the See eith rid to an ounts payable under paragraph 2, fourth, it interest due, and last to principal due

4. Charges; Liens. Borrower shall pay all taxes, is essments, charges, lines and impositions attributable to the Emperts which has attain priority over its Security It's rument, and leasefuld payments or ground rents, if any, becomes shall by 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 owe payment. Box wer shall promptly urnish to Lender all notices of amounts to be paid under his paragraph. If Box ower makes these payments directly, Box ower shall promptly furnish to Lender.

Borrower shall promptly discharge as y her which has priority over this Security Instrument unless Borrower. (a) target in writing to the payment of the chilge on sociared by the her in a manner a ceptable to Lender, (b) contests in good that the her by or defends against enforcer and of the her in legal proceedings which in the Lender's opinion operate to present the enforcement of the hen or terfert are of any part of the Property, or (c) secures from the holder of the lien and represent satisfy tory to Lender subord nating the lien to the Security Instrument. If Lender determines that any part of this Security In trument. Lender may give Borrower a not condentitying the her. Borrower shall satisfy the lieu of it ke one or more of the actions so forth above within 10 days

5. Hazard Insurance. Borrower's Ill keep the improvements now existing or hereafter erected on the Property respect disparance. Do now is a fixery the first overhead within the term is extended coverage, and any other hazards for which Lender new tress insurance. This insurance shall be an nain ained in the amounts and for the periods that Lender requires. The issurance scarrier providing the insurance shall be chosen by Born were subject to Lender's approval which shall not be

> all be acceptable to Lender and shall include a standard mortgage clause s and renewal. If Lender requires, Borrower shall promptly give to Lender ces. In the extrool less, Borrower shall give prompt notice to the insurance loss i not made promptly by Borrover agree in writing insurance proceed, shall be applied to restoration of repair

> repair is econe mically feasible and Lender's security is not lessened. If the ble or Lender's security would be lessened, the insurance proceeds shall be nstrument, whither or not then dut, with any excess paid to Borrower. If answer within 30 days a notice from Lender that the insurance carrier has ect the insural coproceeds. Lender may use the proceeds to repair or restore ecurity Instrument, whether or not then due. The 30-day period will begin

> agree in writing, any application of proceeds to principal shall not extend or s referred to it aragraphs 1 and 2 o change the amount of the payments. If y Lender. Borr (wer's right to any it surance policies and proceeds resulting isition shall post to Lender to the extent of the sums secured by this Security

> Property; Leas at olds. Bornower shall not destroy, damage or substantially retenerate or a mmit waste. If this Security Instrument is on a leasehold, he lease, and : Horrower accurres fer title to the Property, the leasehold and the merger if a riting

7 Protection of Lender's Righ's in the Property Mortgage Insurance. If Borrower fais to perform the ow many and agreements contained in Fix 5 curity Instrument, or there is a legal proceeding that may significant scaffect occeding in by kruptcy, probate, for condemnation or to enforce laws or egiclations), the villender may do and pay for whatever is need sary to protect the value of the Property and I citder's rights in the Property. Lender's actions may right a paring any firms secured by a lien which has priority liver this Security instrument, apporting in court, paying craserable attorneys are and entering on the Property to make repairs. Although

Any amounts disbursed by Lender under this paragrap 17 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to citier terms of payment, these amounts shall bear interest from the date of disb i sement at the Note interrid shall be payable, with interest, upon notice from Lender to Borrower

If Lencer required mortgage insitiance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the nsur more term mates in accordance with Bijrrower's and pinder's written agreement or applicable law.

8. Inspection. Lender or 11 ago it may make 16 isonable entries upon and inspections of the Property. Lender

hall give Borr ower notice at the time of or prior to an insection specifying reasonable cause for the inspection 9. Condemnation. The proceed of any award it claim for damages, direct or consequential, in connection with inv condemisation or other taking of any part of the Picperty or for conveyance in lieu of condemnation, are hereby issigned and shall be paid to Lender.

haid in Borrower

In the event of a total taking of the Property, the proceeds shall, be applied to the sums secured by this Security instrument, whether or not then due will any excess p. 1: to Borrower. In the event of a partial taking of the Property, inless Borrox ir and Lender otherwise as see in writing, the sums secured by this Security Instrument shall be reduced by he amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair rainket value of the Property immediately before the taking. Any balance shall be

of the sums see fred by this Security I strictient, whether of not then due

end rishail sot be require payment or otherwise modifishall soft be a waiver of or preclude the exercises fany right or remedy

that Horrowe is consent.

endering and has equire rimediate payment in full permitted by subgraph 19. If Lender steparagraph l

i this paragraph.

15. Coverning Law; Severability vote ire declared to be severable.

lederal law as of the date of this Security In trun ent-

temeshes permitted by this Security Institution is sthout for her notice or demand on Borrower

If the Froperty is abandoned 1. Fortrower, or if, if er notice by Lender to Borrower that the condemnor offers to nake an awa consett eardain for damay's. Be rower fall to respond to Lender within 30 days after the date the notice is given. Lender a authorized to collect and apply the process, at its option, either to restoration or repair of the Property or

Unless, lender and Borrower is he lase agree in willing, any application of proceeds to principal shall not extend or postpone the file date of the monthly pay lents referred to in paragraphs 1 and 2 or change the amount of such payments 10. Forrower Not Released. For earance By Leider Not a Waiver Extension of the time for payment or modification of amortization of the sums secured by the Security Instrument granted by Lender to any successor in interest of Borrower shall not inversely to mease the liability of the original Borrower's nucleossors in interest commence proceedings—gainst any successor in interest or refuse to extend time for north ratio of the sums seared by this Security instrument by reason of any demand made his the original Borrower or Bourower (sauliessors in interect. Any forbe trance his Lender in exercising any right or remedy

11. Successors and Assigns Found; Joint and Scienal Liability; Co-signers. The covenants and agreements of this Security distrument shall bind and be effect the success of and assigns of Lender and Borrower, subject to the provisions trainigraph ... Borrower's ovenant an agreements shall be joint and severa. Any Borrower who consigns this Security Instrument by does not execute the 'fot' (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Proper's under the terms of this Security Instrument, (b) is not personally obligated to pay the sums secured by this Security Inviture into and (c) as these that Lender and any other Borrower may agree to extend, modely forbeat or make any accommodal ons with regard to the terms of this Security Instrument or the Note without

12. Loan Charges. If the lean sourced by this Sourity Instrument is subject to a law which sees maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the ban exceed the pertitted limits, tiln (a any such loan charge shall be reduced by the amount reconsistion with the man exceed the perfitted limit, and b) any sums already collected from Borrower which exceeded permitted limits will be refunded to living were Lender may choose to make this refunding feeducing the principal owed and on the Newton has not been extractly against a Borrow of If a refunding duces principal, the reduction will be treated as a

artist preparation. Althoritans proprime ticharge under the Note

13. Legislation. Affecting Loide: 4 Rights. I mactinent of expiration of applicable laws has the effect of provision of the Note or this Security Instrument unenfor eable a cording to its ferms. Let der, at its option, all tims see it d by this Security Instrument and may invoke any remedies see this option. Lender shall take the steps specified in the second paragraph of

14. Notices Any notice to Form wer provided to in this Security first ament shall be given by delivering it or by mailing it by tirst class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address and other address Borrown design to by lotic of lender. Any notice to Lender shall be given by that class made of lender's address stood or rein or any or increadings. Lender designates by notice to Borrower. Any notice provided for in this becomes Instrument so II be deemed to have been given to Borrower or I ender when given as provided

This Securit instrument shall be governed by federal law and the law of the cirise choose. Ahis i the Property is local at the every hat any profision of clause of this Security Instrument or the Sole onflicts with applicable law sight inflict shall not affect other provisions of this Security Instrument of the Note which can be even effect without the long cting provision. To this end, he provisions of this Security Instrument and the

16. Biogrower's Copy. Born we half be given in econformed copy of the Note and of this Security Instrument Transfer of the Property or a Beneficial In crest in Borrower. If all or an a part of the Property or any enters of motios cold or transferred for to a honefic al interes on Borrower's sold of transferred and Borrower is not a natural person with in London's prior writtings, sent liender in year its option, require immediate payment in full of all sums secured by the Security Instrument. However, his option shall not be exercised by Lencer if exercise is prohibited by

If Lendin exercises this option, Lender shall give highrower none not acceleration. The notice shall provide a period tino less than 30 days from the date the ratice's delivered or mailed within which Borrower must pay all sums secured by this Security it strument. If Borrowe, full to pay these sums prior to the expiration of this period. I code thay it yoke any

18. Borrower's Right to Reins ate. If Borrower neets certain conditions, Borrower shall have the right to have inforcement of this Security Instrument of continued at the time prior to the earlier of (a) Sidays for such other period as pplicable law may specify for reinstroment) before sale of the Property pursuant to any power of cale contained in this Security Institution of the entry of the public ment inforcing his Security Instrument. Those conditions are that Borrower a) pays I enter all soms which they would be due unce, this Security Instrument and the Note had no acceleration occur ed. (b) ares any default of a problem, scenaris in agreements, (c) pais all expenses incurred in enforcing this econ ty Instituted including but it intectio, reasonable attorneys fees, and (d) takes such action as Lender may easenably require to issure that the legislation of this Security Instrument. Lende is rights in the Property and Borrower's bligition to say the sums secured by his Security to trument shall continue unchanged. Upon reinstatement by form were the Security Instrument and the obligations see: red hereby shall ren ain fully effective as it no acceleration had occurred. However, this light to reinstate shall not apply to he case of acceleration under paragraphs 13 or 17

NON UNIFORM CONVENANTS	lottower and I	4238
19 Acceleration; Remedies.	ander shall giv	e ider further covenant and agree as follows:  iotice to Borrower prior to acceleration following Borrower's breach of bit not prior to acceleration under paragraph.
inv coven int or agreement in this been	ty Instrument	b it not prior to acceleration under paragraphs 13 and 17 unless applicable to default; (b) the action required to acceleration under paragraphs 13 and 17 unless applicable
two provices otherwise). The notice sa	Hisporify (a)	the default: (b) the action and all defaults 13 and 17 unless applicable
som the date the notice is	ven to Borrowc	by which the defaults week
t include specification case	fice may result	acceleration of the same and the martial time to cure the default
of the Property. The notice shall to rthe	Inform Borroy	a of the right to must be a few to the property in the sale.
action to a sert the non-existence of ac-	ault or any oth	defense of B prower to acceleration and the right to bring a court option may equip court to acceleration and sale. If the default is not cured to option may equip competence in a property of the default is not cured.
2018 Secures Instrument without fir her	ace it inder at	toption may equire immediate payment in full of all sums secured by assky the pover of selected that the pover of selected the pover
Low I once shall be conflicted to conject	emandand ma	nyoke the pover of sale and any other renedies permitted by applicable ted in pursuit either mixeling properties.
5 thou has ted to casonable and rev		
If I indepension the power of	ees indicosts	title evidence
2. (B. S. CH. 25 do as stand of Lender, as	tum i	Execute or cause I runtee to execute a written notice of the occurrence of Proporty to Least Mandahall, and
tions in thick in paint of the Pages	TROUGH CAUSE I	e Property to be sold and shall cause such notice to be recorded in each their or Trustees that the property is the sold and shall cause such notice to be recorded in each their or Trustees that the property is the sold and shall cause such notice to be recorded in each their or Trustees that the sold and shall cause such notice to be recorded in each their or Trustees that the sold and shall cause such notice to be recorded in each their or trustees the sold and shall cause such notice to be recorded in each their or trustees the sold and shall cause such notice to be recorded in each their or trustees the sold and shall cause such notice to be recorded in each their or trustees the sold and shall cause such notice to be recorded in each their order.
4 Obcable 10cts Borrower and to ober	Comment of the control of the contro	t let of Truste shall eine notice of sale in the manner prescribed by
A Thomas after within the Phone to the action of the contraction of th	at Disputs of	by a plicable (4.a.) After the time required by applicable law. Trustee,
27 ms descripted in the notice of city in	The in horse par	blic a fection of the highest bidder at the time and place, and under the lisans in any order Laster determined.
if or involved if he property by sub-	di la una par	is any in any order I ustee determines. Trustee may postpone sale of
be igneers a punchase the Property it	N ST	Lat the time a d place of any previously scheduled sale. Lender or its
In see shar deliver to the rice by	er stees h	1. 300 mm at D
a mplied here allowed here a	distribution	conserving to e Property without any coverant or warranty, expressed to acress identical the tenth of the coverant or warranty.
apids the proceed to the sale in the follow	ng ribir sarto	actes sidence of the truth of the statements used increase. Trustee shall be expressed to sale as leading between the statements used increase.
in attorney become in all sums so are	by the Securit	expenses of the sale, including but not finite discrete market reasonable Trustee's astrongent as discrete account of the reasonable Trustee's
to .		astrament as discrept excess to the person or persons legally entitled
20. Lender in Possession Uson	cel sition unc	! Darm raph I wish without the
igentor by a dically appointed receive	halific intitled	Paracraph Lor that donnen; of the Prope ty Lender (in person, by
the rents of the Property including these	St. Sch. Anvire.	Leofle ted by Leoder and manage the Property and to collect
of he costs of management of the Forpe	A on bollectic	of reits, monthing but postures to
reclivery boods and reasonable afterney	te and ther	I the same secure the discontinuous to receiver sites, premiums on
21. Reconveyance, I pon pa me	Little sums	a ured by this Security Instrument. Lender shall request Trustee to
research Property and shall surene	of the Security	istrument at 1 at 10 tes existence of ender shall request Trustee to
The union of this continue to the	ey 1 c Proper	without warring to be person or
fee of not less than 8 90 Such pers 3 of	ers shall p	without warr ity to the person or persons legally entitled to it for a
22. Su bstitute Trustee. Lon by r	<ul> <li>To to time to</li> </ul>	me n move turies ad record
uppointed hominder. Without conveying	of the Propert	me remove frustee and appoint a successor trastee to any Trustee, be successor trustee shall succeed to all the title power and duties
on arreducen Freshe herein and hopp	canh uw	and decection in the power and duties
23. Use of Property. The Property	Sho urrentl	sed for agric iltural, imber or grazing purposes
24. Morneys Fees, Asusod of he is a leid by a appellate court	ice i is Instru	continuitin the Note "a formers fees" shall include any attorneys fees
25 Distance and the court	400	a forneys fees shall include any attorneys fees
Secretary last appearance Security Instruction	ent. Fone or	1 sterniters are executed by Borrower and recorded together with this school er shall be into inversed on.
the assention and	ments of each	pare riders are execute thy Borrower and recorded together with this ochinger shall be inco-porated into and shall amend and supplement
App. (186) by the second of the Second	rity Estrumer	s characterishal be inco porated into and shall amend and supplement is if the rideas) were a part of this Security Instrument [Check
Adv. Canal L. C. 65.	-	Check
XI A Lustable Rate Rider	. a.l.	
	Cond	# imium Rider 7 3.4 Family Rider
Craduated Syment Rider	7 Plans	a Lau Doub
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7 Ohmsi iyean	ji.	
		_ / / /
BY SI NING BELOW Borrower .	cant	D. 1. 1. N.
and it any rid wishes equited by Borroy or a	tept ind agre	to the terms and Covenants contained in this Security Instrument
3	rice rided wit	L. Carama matametra
		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	- 10.	John Millord (Seal)
	700	Borrower
	7	Dollow()
		John C) Millard (Seal) Borrower  Susan R Millard (Scal)  1 of of Acknowledgment (Scal)
		Susan R. Millard (Scal)
	Space Helow This	e For Acknowlengment] - Borrower
S'ATF OF UREGON	_	
COUNTY OF KLAMATH	}	<b>∜:</b>
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John C. Milla H.	d Susan R	Millard
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Air Sales	FEICIAL SEA	
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10	מת ביו ואניץ זימי	5 ON
20000113[[	EXPIRES SEPT	1998 Sotar: Public (Seal)

The instrument we prepared by Klamath Irst Federal Savings & Loin Assn.

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### A DJUSTABLE RATE RIDER

1 Year Treas ny Index-Rate Caps)

4239

THIS VOIL STABLE RATE LIE R is made it's 21st day of February , 19 95 , and is represented into indishall be deered or amend and supplement the Mortgage, Deed of Trust or Security Deed (the Security by runing a profibe same day given by the undersigned (the "Berrower") to secure Borrower's Adjustable Ric Nove Service to Klemath First Federal Savings & Loan Assn.

othe" inder ) of the same date and covering the property described in

he so year except not not ocal that

in . - .532 Winro Street, Kamath Falls, Oregon 97603

THE NOTE CONTAINS PREVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE THE MONTHLY PAYVENT. THE POTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BOR-NOWER MUST PAY

ADDRESSAL CONFINENCE food on the cover intstand agreements made in the Security Instrument, Borrower ind Londer arther overant and agree as a lows

### A INTEREST RATE AND MONTE Y PAYMEN. "HANGES

The Notice of dealer in initial of less like in 7.7% in The Note provides for changes in the interest rate and the not his his hence of thouse

# 4 INTEREST RATE AND MOSTHLY PAYMENT. HANGES

#### 1 Change Dates

The normal of the Epocomic congruenthe hoods of March 956, and on some the conformal or report of the discount of high monitors trate could change is called a "Change Date" 996 and on that day

#### B. The Index

Heging g and the irrection of the position is interestrate will be based on an Index. The "Index" is the weekly isomegenesis in the edistrict formula securities and a ted to a constant miturity of the year, as made available by the light Receive Board. The most see India figure a fillable as of the date 45 days before each Change Date is called his Carres India

If the fider is no longer to a bill the Note Hill er will choise a new index which is based upon comparable or, my con. The Sine Holder & I go more infine or his choice

### ( Citculation of Changes

Herory ich Songe Dife th No off det will leula e my jew interest rate by adding 3.875 percentage in 3.875 to the Current Incex. The Note Holder will then round the norm holder over penetaris one jet of one procedure points (12.3). Subject to the miss stated in Section control in a lidd to entire he means one. new in restrict until the next Change Date

10.1 Secure the sounded amount will be so new in a estimate until the next Change Date.

15.6 Sections of the state of the second amount of the monthly payment that would be sufficient to repay the application of payments are not payment to repay the control of the control of the maturity date of my new interest rate in compared to the part has the expected to two or the Chinge Date in fall on the maturity date at my new interest substantials equal payments. There is of his calculation will be the new amount of my monthly payment.

### D. Lieuts on Interest Rate harres

The ingress call the required of grant the first Counge Date will not be greater than 9.75 The eather my intestirate will never be increased or decreased on any single Change Date by more that two persons go points of all factors the rate of its rest i have been pasing for the preceding twelve months. My est all will be or he greater, har 13.75

### F. I flective Date of Changes

My new interestrate will become emergence activition each Change Date. I will pay the amount of my new monthly payment beginning to he will monthly payment date. Her the Change Date until the amount of my monthly payment changes

#### F Nonce of Changes

The North Idea and edition on the relation of Lanvichanges in my interest rate and the amount of my monthly payment before the thereties date of in hands. The office will include information required by law to be given me and the the city and waptone number of per in who will answer at a question I may have regarding the notice

## B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

the content of the second with stranger is an ended to relid as follows

fransfe, of the Property or a Boneo fall Inferest in Borrower. If all or any part of the Property or any interest in it is eres in Borriver sold of transferred and Borrower is not a natural person)

sold of transferred and Borrower is not a natural person)

sold of transferred and Borrower is not a natural person)

sold of transferred and Borrower is not a natural person)

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sold of transferred and Borrower is not a natural pe in this in a series Security in true into lender to shall not exercise this option if (a) borrower causes to be submoved. Forcer into mation required by Fender to evaluate the intended transfered as if a new loan were being made to be a screen and conflicted in control determines that Lender's equirity will not be impaired by the loan issumption and the risk of three host invitor rant or agreement in this Security Instrument is acceptable to 1 der

To the extent permitted by applicable, aw. 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 - keep all the promises and agreements made in the Note and in this Security Ensurement Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleraon. The notice shall provide a period of not less than 3.3 days from the date the notice is delivered or mailed within which Borrower must pay all sums secure: by this Securit Instrument. If Bo rower fails to pay these sums prior to the expiration of this period, Lender making the any remedial permitted by this Security Instrument without further notice ir demand on Borrower

Hy Signature, Berrow, Borrower accounts and agrees to the terms and covernants contained in this Adjustable Rate Fider

hn J. Millard

Mullard

Land

San R. Millard

STATE OF ORECON COUNTY OF KLIMA H

Filer for second at sequest of Klamath C inty Title Co the 24th of Fe 1 A D 19 41 at 3:27 o'clock P M, and duly recorded in Vol. M95 on Pag: <u>4235</u> Mort ges Bernetha G. Letsch, County Clerk

live I hullender

FEE \$ 35.00