MHC 1215-B

File #328768

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WHEN RECORDED MAIL TO
Klamath Falls Real Estate Finance Center
P. O. Box 1060
Klamath Falls, ORegon 97601

Vol. 77 Page 18876

SPACE ABOVE THIS LINE FOR RECORDER'S USE

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DEED OF TRUST

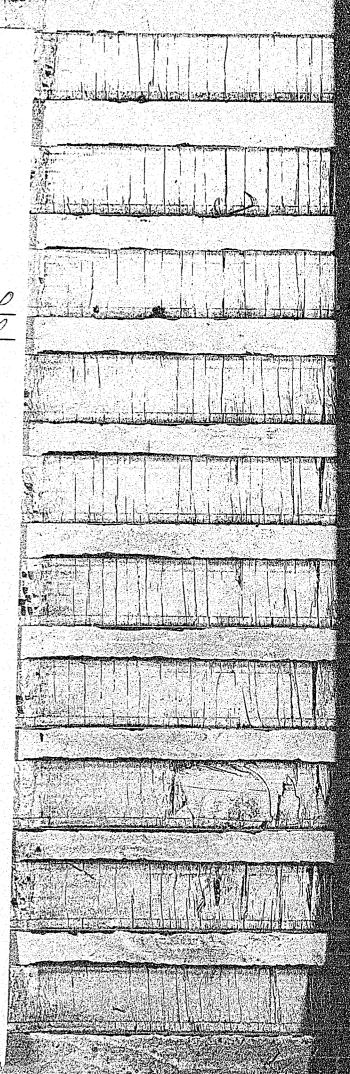
Lot 11 in Block 3 of TRACT 1000, SECOND ADDITION TO SUNSET VILLAGE, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold) are herein referred to 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, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

OREGON—1 to 4 Family—6/75*—FNMA/FHLMC UNIFORM INSTRUMENT 91-1662 9/75

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Uniform Covenants. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebeticines evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on the control of the principal of the principal of and interest on the state of the principal of the principal of and interest on the state of the principal of the principal of and interest on the day monthly installments. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments for mortgage insurance, if any, all as reasonably estimated hardin formation of the principal of the p

by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Deed of Trust would to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender or to the sums secured by this Deed of Trust.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

in and to any insurance policies and in and to the proceeds thereof resuting from damage to the Property plant or acquisition shall pass to Lender to the extent of the sums secured by this Deed of Trust immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a or covenants creating or governing the condominium or planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, and constituent documents. If a condominium or planned unit development executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of the rider is executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of such rider were a part hereof.

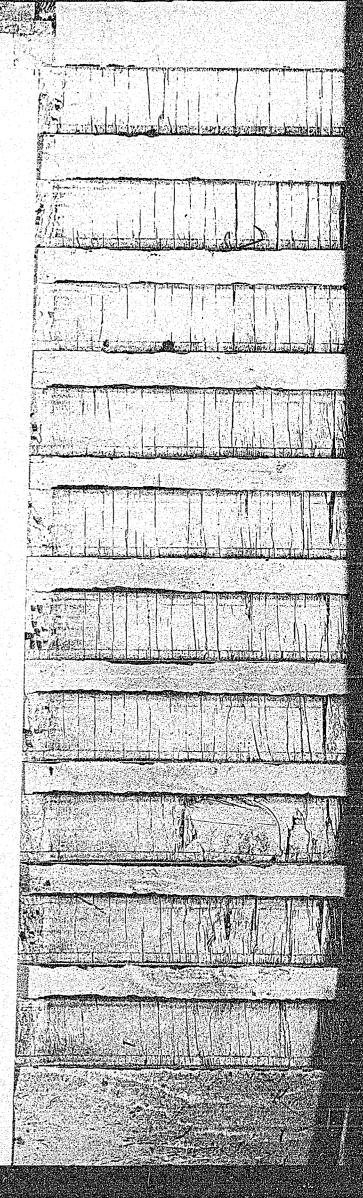
7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the Any amounts disbursed by Lender pursuant to this paragraph 7, wi

action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

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9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection emnation or other taking of the Property, or part thereof.



9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust otherwise agree in writing, there shall be applied to the sums secured by this Deed of Trust such proportion of the proceeds taking bears to the fair market value of the Property immediately prior to the date of paid to Borrower.

If the Property is shaddened to the sums secured by this Deed of Trust immediately prior to the date of the Property is shaddened to the proceeds.

taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

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

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercise of any such right or remedy collerwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy, right to accelerate the maturity of the indebtedness secured by this Deed of Trust.

12. Remedies Cumulative. All remedies provided in this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or remedy under this Deed of Trust are distinct and agreements herein successively.

right to accelerate the maturity of the indementies secured by this Deed of Trust are distinct and cumulative to any other right or remedy under this Deed of Trust or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound: Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereinder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice, Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by mailing such notice by certified mail addressed to Borrower the Property Address or at such other address as Borrower may designate by notice to Lender sa provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be given by serverability. This form of deed of frust combines uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time

Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sams secured by this Deed of Trust, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to notice may result in acceleration of the sums secured by this Deed of Trust 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 breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Deed of Trust to be immediately law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorney's fees.

If Lender invokes the power of sale, Lender's election to cause the Property to he sold, and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law to Borrower and to the other persons prescribed by applicable law to Borrower and to the other persons prescribed by applicable law to Borrower pays leader at the time and place and u

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secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereof or abandonment of the Property, provided that Borrower shall, prior to acceleration under paragraph 18. Upon acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

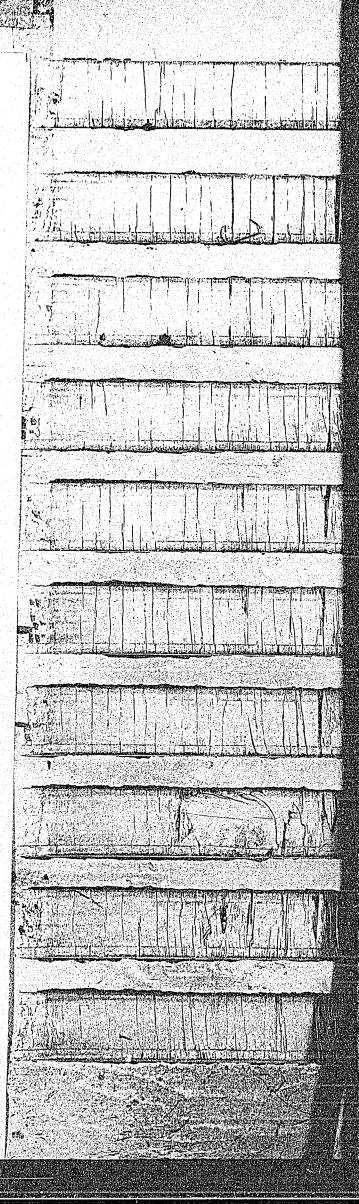
Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender, in person, by agent or by rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on shall be liable to account only for those rents actually received.

21. 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.

22. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons shall pay all costs of recordation, if any.

23. Substitute Trustee. In accordance with applicable law, 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 include attorney's fees. As used in this Deed of Trust and in the Note, "attorney's fees. Shall include attorney's fees, if any, which shall be awarded by a In WITNESS WHEREOF, Borrower has executed this Deed of Trust. My Commission expires:7/19/78 (°) REQUEST FOR RECONVEYANCE To Trustee: The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto. (Space Below This Line Reserved For Lender and Recorder) TATE OF OREGON; COUNTY OF KLAMATH; 59. iled for record at request of MOUNTAIN TITLE CO A. D. 19 77 612;07 clock P M., and his Lith day of OCTOBER duly recorded in Vol. M77 , of MORTGAGES on Page 18876 FEE \$ 12.00 TERLA

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