

19139

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SINGLE FAMILY MORTGAGE PURCHASE PROGRAM ADDENDUM TO DEED OF TRUST

The Lender intends to assign its rights under the attached Deed of Trust to the Housing Division, Department of Commerce, State of Oregon (the "Division"). In the event the Division accepts such assignment, the rights and obligations of the parties to the attached Deed of Trust are expressly made subject to this Addendum. In the event of any conflict between the provisions of this Addendum and the provisions of the Deed of Trust or Note, the provisions of this Addendum shall control.

1. The Borrower agrees that the Division may, at any time and without notice, accelerate all payments due under the Deed of Trust and Note and exercise any other remedy allowed by law for breach of the Deed of Trust or Note if:
 - a. The Borrower sells, rents, or fails to occupy the Property; or
 - b. The Housing Division determines that the mortgage eligibility requirements established under Section 103A of the Internal Revenue Code which are applicable to the loan secured by the Deed of Trust have not been met or that any statement contained in the Affidavit is untrue.

The Borrower understands that the agreements and statements of fact contained in the Affidavit are necessary conditions for the granting of this loan. The Borrower further understands that in the event the Division waives its right to accelerate all payments due or exercise other remedy in law upon a specific violation under paragraph 1(a) of this Addendum, the Division may, in consideration therefor, increase the interest rate on this loan or require payment of a reasonable fee.

In no event will the Division waive its right to accelerate if the rights and obligations of this loan are assumed by an ineligible Borrower. This means the property cannot be sold to a person who is ineligible to receive a loan from the Division unless the loan is paid in full. If the property is sold to an ineligible party, the Division or the Lender may refuse to allow the sale and demand immediate full repayment of the loan. This could result in foreclosure or repossession of the property.

2. The Borrower agrees that no future advances will be made under this Deed of Trust without the consent of the Housing Division, Department of Commerce, State of Oregon.
3. As provided in Section 103A(i)(4) of the United States Internal Revenue Code, the Division has elected to credit certain amounts which may become available to its mortgagors rather than the United States Treasury. The Division will make periodic determination of the overall amounts subject to credit and will distribute such credits among its mortgagors so as to maintain compliance with said Section. The amount of any credit to be made to the Borrower will be applied against the final payment of principal on the Note, whether such payment occurs as a result of the discharge of the indebtedness at, or in advance of, the last regularly scheduled payment date. If at any time the amount of the credit so determined equals or exceeds the amount of the outstanding balance on the Note, the Note will be considered discharged and any excess will be applied against interest due. Nothing in this paragraph creates any express or implied right on the part of the Borrower other than to receive a credit, if any, as herein provided. The Division assumes no obligation to invest any funds so as to increase or even provide an amount to be so credited nor is it obligated to make equal amounts available to all borrowers. The Borrower is not hereby granted any right to claim or maintain any action other than to obtain the benefit of any credit which may properly be allocated to in discretion of the Division in order to achieve compliance with the above stated law.

The Borrower understands and agrees that the above provisions and the interest rate set forth in the Note shall be in effect only if this loan is purchased by the Division or its assigns. In the event, for any reason, that it is not so purchased, or if such purchase is rescinded, then the above provisions shall cease to be effective and the interest rate may be increased to 12 per annum, and the monthly installment of principal and interest may be increased to \$ 343.42.

RETURN:

KLAMATH 1ST FEO

540 MAIN

KLAMATH FALLS, OR 97601

Ret KFFS-2
540 Main
KJ

NOTICE TO BORROWER: THIS DOCUMENT SUBSTANTIALLY MODIFIES THE TERMS OF THIS LOAN.
DO NOT SIGN IT UNLESS YOU HAVE READ AND UNDERSTOOD IT.

I hereby consent to the modifications of the terms of the Deed of Trust and Note
which are contained in this Addendum.

Dated this 5th day of January, 1983.

William R. Gardner, Jr.
(Borrower) (Borrower)
WILLIAM R. GARDNER, JR.

STATE OF OREGON }
County of Klamath }

On this 5th day of January, 1983, personally
appeared the above named William R. Gardner, Jr.

and acknowledged the foregoing instrument to be his voluntary act
and deed.

Before me:

Donald Bert Hamilton
Notary Public for Oregon
My Commission expires: 3-20-85

(Seal)

After recording, mail to:

KLAMATH FIRST FEDERAL
540 MAIN
R.F.D.

STATE OF OREGON,)
County of Klamath)
Filed for ~~record~~ recording of

7 Jan A.D. 19 83
10:55 A M, and duly
seen in Vol. M83 of Mtge

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EVELYN BIEHL County Clerk

Joyce M. Hanna Deputy

Fee 8.00