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The trustee is Aspen Title & Escrew, Inc.

The beneficiary is South Valley State Bank,
The beneficiary is South Valley State Bank,
edisting under the laws of an Oregon Janking Comporation
edisting under the laws of an Oregon Janking Comporation

Ris P O Box 5210, Klamath Falls, OR 97601 ("Trustee"). which is organized and , and whose address Borrower owes Lender the principal sum of Twenty Five Thousand Two Hundred Dollars and no/100 evidenced by Borrower's note dated the same date as it is Security Instrument ("Note"), which provides for monthly evidenced by Borrower's note dated the same date as it is Security Instrument ("Note"), which provides for monthly evidenced by the Note, with interest, and all renewals, rayments, with the full debt, if not paid evidenced by the Note, with interest, and all renewals, instrument secures to Lender: (a) the retained of all other sums, with interest, advanced under paragraph 7 extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced agreements and agreements. Extensions and modifications of the Noto; (b) the payment of all other sums, with interest, advanced under paragraph / to protect the security of this Security in trument; and (b) the performance of Borrower's covenants and agreements under this Security Instrument and the ote. For this purpose, Borrower in evocably grants and conveys to Trustee, in trust, with power of sale; the following classified proparty located in KT amath County: Oragonic and the following discribed provided in the analysis of the second of Fig. 1 axis shrings held in a rask titlen whose I post same integer to a rask titlen whose I post same integer to a rask titlen whose I post same integer to a rask to Established and the state of th KLAMATH FALLS 1012 DONAL'S STREET [City] which has the address of

Oregon

97601 ('Froperty Address');

TOGETHER WITH all the irr proxements now or hereafter erected on the property, and all easements, appurterizines; and fixtures not viol hereafter a part of the property. All replacements and additions shall also be appurterizines; and fixtures not viol hereafter a part of the property. All replacements and additions shall also be appurterizines; and fixtures not viol hereafter a part of the property. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lat fully selsed of the estate hereby conveyed and has the right to grant and corway the Property and that it e Property is the normbered, except for encumbrances of record. Borrower and convey the property and trach e property is a renominated, exception endiminations of record. But warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. The transfer of the property of the pr

OREGON-SINGLE FAMILY-FRIMAY FHILL IC UNIFORM INSTRUMENT PAGE 1 OF 6 ISC/CMIDTOR//0792/3038(9-90)-L

FORM 3038 9/50

100 (CM1/TOR, /0: 9 ), 4933(F-50)-L 8:018 / d CHIECH-SINGLE FANILY -PANA/FRUMC PRINTERS PANALMENT

THIS SECURITY INSTRUMENT oc mbines uniform cox enants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform sex unity instrument covering real property.

13 UNIFORM COVENANTS: Borrowinar d Lender cover antiand 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 del t evi Jenced by the lote and any prepayment and late charges due under the

2. Funds for Taxes and Insuraritie. 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; (a) yearly mortga je 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 "Es crov/ Items." Lencer 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 Sectiement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another lav/ 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 otherwise in accordance with applicable law.

The Funds shall be held in an institution whose depocits 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 liems, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. I- owever, Lenda may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lerider 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 or all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts per nitted 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 Escrovaterns when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount no cessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

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 st all acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any FL nds held by L3 ider at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest (lue; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, as sessments, charges, fines and impositions attributable to the Froperty which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. E orrower 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 ilen by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the ilen; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hez ards included vithin 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 unreasc nably 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. भिक्के एक महरू हेजलक

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the polic as and renew 1 s. If Lender requires, Borrower shall promptly give to Lender all raceipts of paid premiums and renerval rotices. In the event of loss, Borrower shall give prompt notice to the instrume carrier and Lender, Lender may make proof of these first made promptly by Borrower.

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payr tents referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Proporty is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to it e acquisition shall pass to Lender to the extent of the sums

secured by this Security Instrument immediately prior to it a acquisition.

- 6. Occupancy, Preservation, Minintenance 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 this Securify in trument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the dare of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unit as extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or irr; air the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if ar y forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's socurity interest. Bo rower 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 Lender's good faith determination, precludes forfeiture of the Dorrower'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 concerning Borrower's cocupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, 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 Right: 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 bankruptcy, probate, for condemnation or forfeiture 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 in ay include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, caying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts dispursed by Lender ur der this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrowor and Lender a gree 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.

- 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 Londer lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain covera(je st bstantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially a quivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insuranc a corverage lapsed cir ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in leu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender at jain becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in a fect, or to provide ε loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Bon ower and Lender or applicable law.
- 9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender thall give Borrower notice at the time of or prior to an in spection specifying reasonable cause for the inspection.
- 10. Conciemnation. The proceeds of any award or slaim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby or subject that highly but with assigned and shall be paid to Lender...

In the event of a total taking of the Property, the probleds shall be applied to the sums secured by this Security Instrument, whether or not then due with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total arround of the sums secured Immediately before the taking, divided by (b) the fair market value of the 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 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 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 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 award or settle a claim for clamages, Borrower alls to respond to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Froperty or to the sums secured 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; Forbe trance By Len ler Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to elease 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 annortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a weiver of or preclude the exercise of any right or remedy.
- 12. Successors and Assigns E out d; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of 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 Eorrower's consent.
- 13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets 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 loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded it to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under 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 mall unless applice ble law requires use of another method. The notice shall be directed to the Property Address or 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 in strument shall the 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 jurisdiction in which the Property is it cated. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such a possible that any provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.
  - 16. Borrower's Copy. Borrower shall be given on a conformed copy of the Note and of this Security Instrument.
- 17. Transfer of the Property of a Bt neticial 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 writter cor sent, Lender in ay, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option is shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Landa shall give Bon ower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delive ed or malled within which Borrower must pay all sums secured by this Security Instrument. If Borrower is its to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security in strument without further notice or demand on Borrower.

18. Borrower's Right to Reint tate. If Borrower it sets 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 applicable law may specify for rains a tement) before sale of the Property pursuant to any power of sale contained in this Security instrument; or (b) entry of a judgment enic roing 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 an / default of any other coverants 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 as sure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security 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 acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer.

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 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 given written notice of the change in accordance with paragraph 14 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 information required by applicable law.

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. 3 prrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Prope ty of small quantities of Hazardous Substances that are generally recognized to

be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lancler 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 of which Borrover has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal crother remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly tax all necessary remedial actions in accordance with Environmental Law.

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 pesticidos and herbicides, violatile 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 any covenant or agree neat in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides oil erwise). 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 it ilure to cure it e default on or before the date specified in the notice may result in acceleration of the sums secured by this \$ scurity 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 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 attorneys' fees and costs of title evidence.

If Lencler invokes the power of table, 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 prescrit ad by applicat le law to Borrower and to other persons prescribed by applicable law. After the time required by applicat le law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder 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 unnouncement at the time and place of any previously scheduled sale. Lender or its designee may purchan the Property it any sale. the datements of the formal times are the apply the propagation for the contraction.

Trustee shall deliver to the pushhar at Trustee's cit ed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facle evidence of the truth of the statements made therein. Trustee thall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but have limited to, at a sonable Trustee's and attorneys' fees; (b) to all sums excured by this Security instrument; at d (c) any exact is to the person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums see ured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrent der this Securit / 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 conferred upon Trustee herein and by applicable law.

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The Easterly 55 feet of Lot 12, Block 2, FAIRVIEW ADDITION TO THE CITY OF KLAMATH FALMS, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the Northeasterly corner of Lot 12, Block 2 of said Addition; thence Westerly along the South line of Donald Street 55 feet; thence Southerly parallel with Sargent Avenue 50 feet to the South line of said Lot 12; thence Easterly along said South line to the Southeast corner of said Lot 12, which lies in the West line of an alley; thence North along said West alley line 50 feet to the goint of beginning.

CODE 1 MAP 3809-29DB TI 9800

AP# BELSKY

gradical (MANCA)

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## 1-4-FANDLY RIDER

Assimment of Rents

THIS 1-4 FAMILY RIDER is made this 29th day of FIAY , 1996 , 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 Note to South Valley State Bank, South Valley State Bank

"Lender") of the same date and covering the Property described in the Security Instrument and located at:

## 1012 CONALD STREET, KLAMATH FALLS, OR 97601 [Property Address]

1-4 FAMILY COVENAITS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

- A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Socialty Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature vihats oever now or thereafter located in, on, or used, or intended to be used in connection with the Prope ty, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings nower 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 the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security is strument is on a leasehold) are referred to in this 1-4 Family Rider and the 4-1-648 Security Instrument as the "Property."
- B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Prope ty or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall com by with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.
- C. SUBORDINATE LIENS. Except as parmitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.
- D. RENT LOSS INSUITATIOE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.
  - E. BORROWER'S RICHT TO REINSTATE DELETED. Uniform Covenant 18 is deleted.
- F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agree nents set forth in Uniform Covenant 6 shall remain in effect.
- G. ASSIGNMENT OF LEASES. Upon Lander's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to mo tily, extend or terminate the existing leases and to execute new leases, in Lender's tole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security in strument is on a leasehold.

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(Seal)

-Borrower

AP# BELSKY LN# 500088 1,300 1 00 5 WOR HELASSIGNMENT OF HE ENTS; PAPPOINTMENT OF PRECEIVER; LENDER IN POSSESSION. Borrower absolutely and tinco ditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to v hom the Rents of the Property are payable. Borrower authorizes Lender or Lender's at jents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lendar's agents. He wever, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to braggraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute as signment and not an assignment for additional security only. if Lender gives notice of b each to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Froperty shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written derrand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Proparty, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judic lally appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security. If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the itents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Len Jer secured by the Security Instrument pursuant to Uniform Covenant 7. Borrower represents and warrants that Bon ower has not executed any prior assignment of the Rents and has not and will not pe form any act that would prevent Lender from exercising its rights under this paraciraph. Lender, or Lender's agents cra judicially at pointed receiver, shall not be required to enter upon, take control of or maintain the Property before or afta giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full. I. CROSS-DEFAULT FRCA ISION. Borro ver's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedles permitted by the Security Instrument. BY SIGNING BELOW, Express for accepts and agrees to the terms and provisions contained in pages 1 and 2 of this 1-4 Family Rider TO A STREET, THE SECOND (Seal) AR HUR BEL -Borrower (Seal) -Borrower Family of this same waters to verify the first enty

incompression of the distributed particles to the combination of the second of the combination of the second of th (Seal) ENDINGSAME BOTH I WHO IN -Borrower एउटा । प्रथम व्यक्ति । MULTISTATE 1-4 FAMILY FIDEF -FNMA/FHL IC UNIFORM INSTRUMENT ISC/CRID\*\*//0195/3170(0950)-L 3 ige 2 of 2 Form 3170 9/90 STATE OF OREGON: COUNTY OF KLAMACH: ss. Filed for record at request of Aspen Title & Escrew the \_\_30th day A.D., 19 90 at 3:57 o'clock of \_\_\_\_Mav PM., and duly recorded in Vol. \_ of <u>Mortgages</u> on Page \_\_\_15708 Bernetha G. Letsch, County Clerk FEE \$50.00