SOUTH VALLEY STATE BANK '96 SEF 10 AIT:25 PO Box 5210

KLAMATHUFALLES : OR DLO760 DESIGN OPERIL COASISCS TO PLOTECT ESTABLISHED VOLDINGLE Page 2839 and for the penods that Lenton requires. The instrance carrier providing the Instrance above the discount by Barrower and for the penods that Lenton requires of exercises with the second of the second second of the second second of the seco From No log 05448 and increases by the hazards in AAC To The Transce chall be maintened in the surprise transcentation of the linear carrier from the log of the linear carrier carrier carrier carrier than the linear carrier carrie

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agraes in writing to the payment of the obligation secured by the flen in a manner acceptable to the new (%) corticals in Borrower shall promptly discharge anythen which tras priority ever this Socurity Instrument unions. Softomer fa

The trustee is AMERITITLE the ballments

The beneficiary is SOUTH VALLEY STATE BANK of makes these ballments queen and which is organized and existing under the laws of an Oregon Banking Corporation of the beneficiary is PO Box 5210. KLAMATH FALLS, DR 97601 One Thousand Dollars and whose address Borrower owes Lenger the principal sum of Twenty One Thousand Dollars and no/100 ("Lender").

Dollars (U.S. \$21,000.00). This debt is ("Borrower"). (Trustee").

evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments with the full debt, if not paid earlier, due and payable on "Oct ober" 1, 2006. This Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust; with power of sale, the following described property located in KI amath ConutAcotedou:no more them twelve monthly payments, at Lender's sole discrolish

Described 24 of L'ANDIS PARK, according to the official flat thereof on file in the mark of the office of the County Clerk of Klamath County Oregon to the county of the c

Funds are pledged as additional security for all sums secured by this Security tristraine in JACCONNI; NO.: 03300301009; 01200; Funds, showing credits and depits to the Funds and the purpose for which each debit to the status was status. The that Interest shall be paid on the Fuods. Lendor shall give to Borrower, without charge, en eminal recognitive of the required to pay Borrower any interest of earnings on the Funds. Borrower and Lender may agree in virging headiver, that interest shall be read on the Europe Lander shall be read on the Europe Lander shall be read on the Europe Lander shall be provides otherwise. Unless an agreement is made or applicable law requires interest to be read, Londor shalf not be Independent real estate trix renorting service used by Lander in connection with this high, unless replaced in the cermits Lander to make such a charge. However, Lender may require Borrover to pay a one-time concessor on pay the Escrow tigms. Lender may not charge Borrover for holding and applying the Funds, annually analyzing tog escrow account, or verifying the Escrow tiems, unless Lender pays Borrower inferest on the Funds and applicable law (including Lender, if Lender is such all institution) or many Federal Mome Loan Bank, Lender shall dealy the Finers ic

The Eunds shall be held in an institution whose deposits are insured by a federal agency, insultinguishingly, or entity accordance with applicable law. title on the basis of current data and reasonable estimates of expanditures of tuture Escraw hems or otherwise in times collect and hold Funds the amount not to exceed the tesser amount. Lender may satisfate the amount of Films 2601 et seq. ("RESPA"), unless another law that applic 10 the Funds sets a lesser amount. If so, Legger and y arting account under the federal Real Estate-Settlement Procedures Act of 1973 as amonded from time Villing its U.S.C. which has the address of re called "13893// FINJON-AAENNEY, at any time, called KFAWALH" LATTZ to exceed the maximum amount a lender for a federally related mondage load may require for activity by exceed the maximum amount a lender for a federally related mondage load may require for activity.

vearly taxes and assessing its which may attain originly over the Security first minute as a reconstruction of the respective following in accordance with the planet. Address of paragraphic or present the respective following in accordance with the planet. In the paragraphic or present the respective following the respe

10 TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully selsed of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any eucinupusuces of recordate non to constitute a uniform accuraty internament covering real property.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and managing covenance and

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

WELLINIFORM COVENANTS Borrower and Lender covenant and agree as follows:

Sug 10 Payment of Principal and Interest; Prepayment and Este Charges. Borrower shall promptly pay when due the principal/of and interestion the debt evidenced by the Note and any prepayment and late charges due under the

Note ag plantage against parameter vision processors and the content of the parameters of the paramete

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

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

Funds held by Lender: If under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument. (p) the Estimator of all property and the sums secured by this Security Instrument.

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 due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower. (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more 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 Insurance against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower falls 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 7.3.0

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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 policies and renewals. If Lender requires, Borrower shall promptly give to Lender

all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender Hender may make proof of loss if not made promptly by Borrower.

of the security transfer and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair. Unless Lender and Borrower otherwise 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 Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security instrument, whether or not then due, with any excess paid to 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 claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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

- 6. Occupancy, Preservation, Maintenance and Protection of the Property, Borrower's Loan Application; Leaseholds Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property: Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forteiture of the Property or otherwise materially impair the lien created by this Security instrument or Lender's security interest. Borrower may cure such a default and 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 Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower, shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy 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.
- Protection of Lender's Rights in the Property. If Borrower falls 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 may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Berrower requesting payment the same secured by this Security histogram deserce by

- 8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially 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 equivalent 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 insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu 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 again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.
- 1. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection. 21/110 Condemnation. The proceeds of any award or claim 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 assigned and shall be baid to reuge. With any excess rigid to Borrower, in the event of a partial to the control of In the event of a total taking of the Property, the proceeds shall be applied to the sums secured 1. 1995 (1997)

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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, 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 amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. "Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due, suce coverage (in the amount and for the bi

ether or not the sums are then due.
See paying a gas a loss tests in the not thought a property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award of settle a claim for damages. Borrower falls 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 Property or to the sums secured by this Security Instrument, whether or not then due.

Leg 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 balance to maintain the more balance of the premiums required to maintain the mone

- 11. Borrower Not Released; Forbearance By Lender Not a Walver. 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 release the liability of the original Borrower or Borrrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the 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 waiver of or preclude the exercise of any right or remedy.
- ்பு 12., Successors and Assigns Bound; 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 Borrower'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 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.
- Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mall to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph? A establish and use the Property as b
- 15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be 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 one conformed copy of the Note and of this Security Instrument. 17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural

person) without Lender's pricr written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security instrument.

If Lender exercises this obtion, Lender shall give Borrower notice of acceleration. The notice shall provide a period Lender shall have the right to hold the policies and retiewals. It tander requires, borrows shall provide a belong to the policies and retiewals. It tander requires the right to make the right to both the event of loss borrows and remaining the policies of the expiration of this belong the policies of the expiration of this belong the major to the expiration of this belong the major to the expiration of this belong the policies and increase the policies and retiewals. It the event of loss the policies of demand on Borrower and Instituted the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals the policies and retiewals. It is noticed the policies and retiewals the policies and retiewals the policies and retiewals the policies and retiewals.

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18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including; but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this 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.

and 19: Sale of Note; Change of Loan Servicer: Westweet

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.

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

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

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all 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 pesticides and herbicides, volatile solvents; materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security instrument without further demand 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.

Confile Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable 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 announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale. Trustee as a succession of the property is public.

warranty, expressed or implied. The recitate in the Trustee's deed shall be prime following or decrease the statements made therein. Trustee shall apply the proceeds of the safe in the following or decrease the statements made therein.

Linstee Phail delinet to the princhaser linstee; a deed conveying the Property Village Content Content

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facle evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security instrument; and (c) any excess to the person or persons legally entitled to it. ந்து 22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security instrument and all notes evidencing debt secured by this Security: Instrument to Trustee: Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs 23./Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed heraunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable lawnee greater to excurse a reac-24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys, fees awarded by an appellate court, receipting partial to the solution and cio:25.5 Riders to this Security Instrument. Transfer spair on autified to solitor, and a security If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]uterm Borrower of the right to reinstate effect acceleration and the right to but rest. Adjustable:Bate Bider sums secured a Condominium Bider and and subset of the CILLE THE BAILON RIGHT LOS (916° LIO) (928 HISTINGS PROPERTY RIGHT (8) THE GENERAL COMMENTAL SECOND HOME RIGHT tree-Other(s):[specify]: or agreement in this Security Instrument (but not prior to access as BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.
Witnesses: jurisolotion where the Froberty is located that telato to beath, sayy over and radioactive majerials. As used in this paragraph 20, 'E. Charlettellering and radioactive majerials. substances by Environmental Lawland the following substant DOLOGES of MITHAN there are no substances by Environmental Lawland the following substant As used in this paragraph 20. "Hazardous Substances, are those substances defined as tests necessary, Borrower shall promptly take all accessary remedial actions in accordance with Engironne title and regulators authority that any removal of other remediation of any Mazardous Substance arrestors Environmental Law of Which Borrower has actual knowledge. It Borrower learns, of is notified by any governmental or regulatory agency of private party involving the Property and any anastroctal aid Borrower shall promptly give Lander written notice of any investigation, claim, demand, aware not a consideration be appropriate to normal residential uses and to maintenance of the Property presence, dise, or stoir up on the Property of small quantities of Hazardous Substance. The conaffecting the Property shat is in violation of any Environmental Law. The presecting two sections is the of any Hazardous Substances on or in the Property. Borrower shall not do, กกา สาวพ ผาหากร (Seal) 20. Hazardous Substances, Borrower shall not cause or nermit the presence of a other information required by applicable law. STATE OF, OREGON, a rold selection of the control o DOLORES (C. L.) WHITMAN MOMENT Wester Unit resort to a character in the stutik (Grown as the property) The Note of a partial referent fitthe Note (fortune) with this Security instruction) and acknowledged the foregoing instrument to be his/her voluntary act and deed. eje sv. jpuzjer, **Before me:** bisik in to a cesa sa kos no accileration (OFFICIAL BEALT SULT UP GOLDSHOP STORE OF COMMISSION NO 051815 UP 11 OF THE reinstatement by. as Lankler may relase. Borrower's obligation Notary Public for Oregon TO GUID CHARTON TO MY COMMISSION EXPIRES MAY 25, 2000 10 t to cure my define chair chair coverings on appearing a pro-(a) pays to storial summanion then would by due under the spounty has upon a contract of the c My Commission expites: or (o) surpy or a fractiment emorging this Security the trubeaut 2000 or commission expites. as applicable law may specify for reinstatement) before sale of the Property putanant to any conservation continued in antorcement of this Sucurity instrument discontinued at any time prior to the earlier of (a) 5 days (or such place perior 18. Extrower's Flight to Reinstate, it Borrower meets certain conditions, Borrower shall in the charge

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THE TRACE OF STREET

ISC/CRID**/70185/31114(0388).0

Page 2 01.2 1997 E. E. E. R. Milla WINT LISTATE ARM RICER AN ADJUSTABLE RATE RIDER FOR MASTERIAL

DOLDECHS.

(1 Year Treasury Index-Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 5 day of SEPTEMBER, 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 Adjustable Rate Note (the "Note") to SOUTH VALLEY STATE BANK, South Valley "Lender") of the same date and covering the property described in the Security Instrument and located at:

3863 CLINTON AVENUE, KLAMATH FALLS, OR 97603 [Property Address]

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

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 3, 2,0000. %. The Note provides for changes in the interest rate and the monthly payments, as follows: In Aurop positions under the significant significant and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

(A) Change Dates

The interest rate I will pay may change on the first day of October, 1997, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index is a second party of the second weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index." The line and the line will choose a new index which is based upon

comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes applying to religious automorphism tedalucines in the contraction of the contract

Before each Change Date, the Note Holder will calculate my new interest rate by adding Three and One /20uarter Howard file object strength percentage points (1913-2500 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0:125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date. DL. ILSUSIELLEG (OLI) 9-0606

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

my monthly payment.

(D) Limits on Interest Rate Changes

OI The interest rate I am required to pay at the first Change Date will not be greater than 11.0000 or less than 7.0000 18 Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 15.0000 %. My new interestrate will become effective on each Change Detail 1 was pay the attention monthly payment beginning on the first monthly payment date after the Change Care dates at a monthly payment beginning on the first monthly payment date after the Change Care dates at a monthly payment beginning on the first monthly payment date after the Change Care dates at a monthly payment date after the Change Care dates at a monthly payment date after the Change Care dates at a monthly payment beginning on the first monthly payment date after the Change Care dates at a monthly payment date after the Change Care dates at a monthly payment date after the Change Care dates at a monthly payment date at a monthly payment da

MULTISTATE ARM RIDER ARM 5-2-Single Family-FNMA/FHLMC UNIFORM INSTRUMENT ISC/CRID**//0195/3111(0385)-L ソトギ MH [[I I V M Form 3111 3/85 Page 1 of 2 ANA 302778

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