AFTER RECORDING MAIL TO: SOUTH VALLEY BANK & TRUST PO Box 5210 KLAMATH FALLS, OR 97601

TOVA NO. 302808

limited variations by jurisdiction to constitute a uniform security instrument covering real property OREGON-SINGLE FAMILY-FNMA/FHLMC UNIFORM INSTRUMENT HUBBIS TO LUCIDOS I THE CHARLES CONTROL FORM 3038 9/90 ISC/CMDTOR//0792/3038(9-90)-L

eucnimplances of tecold NTS. Borrower and Londer covenant and appeare follows

MOIBORROWER 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, s warrants and will defend generally the title to the Property against all claims and demands, subject to any whee gree

PAGE 1 OF 6

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."

premiums. Those items are called "Escrow lignes), Lender may, at anythine, collect and he (city) are in temp Oregon at the Fourier 97.603 continue ("Property Address") at banadiaron 9 an ion of the balances of the relief three trades in Address through the fourier of the property and at the fourier of the fou

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due on the basis, of current data and reasonable estimates of expenditures of legure Escrew them and reasonable time, collect and hold Eunds in an amount not to exceed the losser amount. Lender new estimate 1.45 emount of Finals 2001, et seq. ("RESPA"), unless another law that applies to the Eurids sets a lesser amount. It so, Learner may, of they

accordance with applicable law.

Funds are pledged as additional security for all sums secured by this Sucurity Instrument Funds, snowing credits and debus to the Funds and the purpose for which each debut to the Funds was made. The that interest shall be part on the Funds. Lander shall give to Borrower, without charge, an armual accounting of the required to pay Borrower any interest of earnings on the Funds. Borrows; and Lender truly agree in which, however, provides otherwise. Unless an agreement is inade or applicable law requires inserest to be pold, Lendor chall not be independent real estate tax reporting service used by Landor in connection with this foan, unless applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one time charge for an escrow account, or verliying the Escrow Items, unless Lender pays Borrower interest on the Funds also applicable law pay the Escrow terms. Lender may not charge borrower for holding and applying the Funds, annually analyzing the (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank Leader shall appead the Funds to The Funds shall be held in an institution whose deposits are insured by a habaril agency, institutionality, or entity

της SEE ATTACHED EXHIBITA "A" τη απότηλη ρογιώστες στι του αρές σόμο τρεστευμών in such case Borrower shall pay to Lender the amount necessary to make up the deliciency. Borrower shall make up pA (ACCT_a:NO: 13909-011BB-01000 pak (pKEYc:NO:)(550932.u ggo CODE: NO:) 041 on a goulomer to magnetic aug Borrower, for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held if the Funds held by Lender exceed the amounts permitted to be held by applicable tay, Lender shall account to

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 November 1, 2021. 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 KT amath Lacond Causes, who is a secretary property located in KT amath County, Oregon: such full of all sums secured by this Scounty instrument, Landar shall promptly a many to histories and

The beneficiary is SOUTH VALLEY BANK! & TRUST, which is organized and existing under the laws of AN OREGON BANKING CORPORATION behaviors quiete a property and whose address is PO Box 5210, KLAMATH FALLS OR 97601 Shusser Borrower shall be county to supply the county ("Lender"). Borrower owes Lender the principal sum of Seventy Six Thousand One Hundred Dollars and no/100/ Apacy was seein byough over this Sentiny institute Dollars (U.S. \$76,100:00)

agrees in writing to the payment of the childstion secured by the lien in a marker acceptable to the case (L.Bortower,). The trustee is "AMERITITLE rechards and neurope has brough over this Security restrained orders no ("Trustee").

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5. Hazard or Property Insurance: BorreDEED (OL HARRAINENES now expering in hear other processed on the Borrower shall salisty the lien or rake one or more of the actions sectoribilities which if days of the glond of assess

TILL BELLING I SENSON IN A Lender's option, obtain coverage to product Lender's dights in the Property in decontaine with royn No. 305808 hat Landar requires. The Insuranc Angel Grove Company of the Comp Fracerty insured against loss by the margids included within the term instended including libeas or fracting, for which Labbace being the Lot Becording pare.

Vol. <u>M46 to Page 34</u>919

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

Buer UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

- ASTUAL Payment of Principal and Interest; Prepayment and Late Charges: Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the NOTE OR HOWER COVENANTS that Borrower is lawfally salsry of the estate freeby corpoyed and its
- 22. Funds for Taxes and Insurance. 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; (e) yearly mortgage 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 "Escrow Items." Lender 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 Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law 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 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.

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 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.

- 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 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 of 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 ilen 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 ilen 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, 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 7,752 05 01001 PO BOX 5210

OREGON_SINGLE FAMILY_ENMA/FHLMC UNIFORM INSTRUMENT ISC/CMDTOR//0792/3038(9-90)-L PAGE 2 OF 6

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FORM 3038 9/90

OREGON-SINGLE FAMILY-FIRMA/FREMIC UNIFORM INSTRUMENT

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 Lender shall have the right to hold the policies and renewals. In Lenderrequies, bottower shall give prompt notice to the all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is economically feasible or Lender's security would be tessened, the insurance proceeds the restoration or repair is not economically feasible or Lender's security would be tessened, the insurance proceeds the restoration or repair is not economically feasible or Lender's security would be tessened, the insurance proceeds the proceeds to the sums secured by this Security Instrument, whether or not then due, with any excess paid to shall be applied to the sums secured by this Security Instrument whether or not then due proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due 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 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 payments. In 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.

- 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. snall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond both the Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the 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 forfeiture of the Property or otherwise materially impair the lien created by Lender's good faith judgment could result in foreithte of the Property of otherwise materially impair the nen 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 created by this Security Instrument or Lender's security interest. 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.
 - 7. Protection of Lender's Rights 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 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 und at 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 interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment, the same secarca of the geomatic hestranger of

- 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 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, from an alternate substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate substantially equivalent mortgage insurance coverage is not available, mortgage insured by Lender, if substantially equivalent mortgage insurance premium being Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being pald by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain paid by borrower when the insurance coverage lapsed of ceased to be in effect. Leftder will accept use the required, at 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 by an insurer approved by Lender again becomes available and is obtained. Donower 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.
 - 8. 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.
 - 20110. 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 assigued and shall be baild to Feugerwith any excess haid to Borrower. In the event of a period alking of the Property in

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 pald 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 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 in which the fair market value of the Property in which the fair market value of the Property in the event of a 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.

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 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.

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; 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.
- 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 Ican 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.
- 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.
- 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 prior 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 option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or malled within which Borrower must pay all sums secured by this Security Instrument. If Borrower falls to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard montging clause. Lender shall have the right to hold the policies and renewals. It Lender requires, Somewer shall be empliy give to Lender shall have the right to hold the policies and renewals. It Lender requires Somewer shall have a respect to the property of the prope

- 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.
- ung 19: Sale of Note; Change of Loan Servicer: மு உடுந்திட

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.

valuatery, set and deed.

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.

occurrence of an event of default and of Lender's election to 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. After the time required 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, a supplicable law and place of any previously scheduled sale.

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 facie evidance of the fruith of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) is all

oregon-single family-fimil/falmc uniform instrument PAGESOF6 LOAN NO. 302808, 3039 3 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. not 22. Reconveyance. Uport 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 1991/23. 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 lawners guarant to care an explanational control of the 24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorusts, tees awarded py an abbellate cont. Including, but not limited to, reasonable eliminates in the 54° vitorusts. Less was used in the contract of the ogn 25.5 Riders to this Security Instrument. Fonget shall be sugged to explore an 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 10 into an interest and 10 into a interest and 10 interest and 10 into a interest and 10 interest and 10 into a interest and 10 into a interest and 10 into a interest and 10 interest and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(as)] procur porrower of the right to reinsten after acceleration and the registration of the procure of the procure acceleration and the registration of the procure acceleration accelerati gere Graduated Payment Rider test (ei)nes to Planned Unit Development Rider and the Biweekly Payment Rider BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security access, a Instrument and in any rider(s) executed by Borrower and recorded with it.

By Signing Decoast continue and agree as recovery the significant and agree as recovery. and radioactive triatering. As used in this paragraph 20, "Environmental Law" radioactive triatering. As used in this paragraph 20, "Environmental triaterior where the Property is located that relate to health, safety on many anneated anneated. As used in this paragraph 20, "Hazardous Substances, archose substances defined as vision hazardous substances by Environmental Law and the following substances. (Seal) necessary, Borrower shall premptly take all necessary remedial actions in accordance with Environmental Law regulations authority, that any removal or giber remodiation of any Hazardous Substanton algoritor the Property (components) Romanan shall measurable rate all measura Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmentel comany governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Borrower shall promotly give Lender written notice of any investigation, claim, demand, lawarit or other action to determine the Dropping of the strain of the action development of the strain of the be appropriate to normal residential uses and to maintenance of the Proporty. presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not adply to the of any Hazardous Substances on or in the Property. Borrowor shall not do, nor allow anyons elso to act shydnar (Seal) affection the Property that is in violation of anic Environmental Low. The desired the Property that is in violation of anic Environmental Low. 20. Hazardous Substances. Borrower shall not cause or comit the prosence, use, disposal storage or representational other information required by applicable faw other intocuration teamined by structure in the control of the following the control of the rest of th OHNUTSH DAAStice to Borrower. A sale may result in a change in the emity (known as the finder servicer) that collecte and acknowledged the foregoing instrument to be his/her voluntary act and deed.

The Note of a partial interest in the Note (together with this Security Instrument) may be sold one of a ment inner and acknowledged the foregoing instrument to be his/her voluntary act and deed. Outcomer for the version of the control of the cont My Commission expluse: or the entry of a ludgment enforcing this Security Instrument. Those conditions and that conversely become the least as a no found as the least as a no found as the largest 157.507.89 inich then would be due under this Security frequencial than least as a no found in the least and the least as a no found in the least and the least as a no found in as applicable law may specify for reinstatement) before care of the Property pursuant to any power of sale contained in enforcement of this Security instrument discontinued at any time prior to the earlier of. (a) it days for such other named 18. Borrower's Right to Reinstate. If Borrower meets cottain conditions, Borrower shall have the right to have

Mana rabawa rabici

LN# 302808 AP# DAY Form 3411 3/85 15C/CRID**//0195/3111(0385)-C WILLISTATE ARM RIDER-ARADJUSTABLEY RATE RIDER FORM DISTALMENT

(1 Year Treasury Index-Rate Caps)

day of OCT, 1996 THIS ADJUSTABLE RATE RIDER is made this 29 incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security ncorporated into and shall be deemed to amend and supplement the Mongage, bees of the "Borrower") to secure 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 BANK & TRUST, SOUTH VALLEY (the BANK & TRUST
"Lender") of the same date and covering the property described in the Security Instrument and located at:

> 4225 ONYX 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 TO The Note provides for an initial interest rate of the Note provides for an initial ini interest rate and the monthly payments, as follows and much goldones and an agreement of 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES & begon of new page 1970 to gaze group

(A) Change Dates the obtion to require immediate payment of fall traces to a government. The interest rate I will pay may change on the first day of November, 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 infrom editermant from a sociobrate to reach and the contract of the state of the 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."

If the Index is no longer available, the Note Holder 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 nomined to reader promises on the nace the name. Before each Change Date, the Note Holder will calculate my new interest rate by adding Three parameter plane the obtain spall opercentage points (Fig. 3.0000 at %) 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: or transforted (or it a possession site of a la

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that cam 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

The interest rate I am required to pay at the first Change Date will not be greater than 11.2500 % or less than 17.2500 %. 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 15.2500 %.

monthly payment beginning on the first monthly payment date after the Charge Date onto the canount of My new interest rate will become offenive on each Change Date. I will pay the emount of my new

MULTISTATE ARM RIDER-ARM 5-2-Single Family-FNMA/FHLMC UNIFORM INSTRUMENT Form 3111 3/85 ISC/CRID**//0195/3111(0385)-L Page 1 of 2 TVI 305608 MPX DAY

AP# DAY	
NA	302808
(E) Effective Date of Changes 5- Studie Lamin - ENMA FRUNC DHIE OF	Form 3111 3/88
My new interest rate will become effective on each Change Date. I will permy monthly payment beginning on the first monthly payment date after the Change my monthly payment changes are in	av the emount of
monthly payment beginning on the first monthly payment date after the Change my monthly payment changes again. (E) Notice of Changes again.	Date until the amount of
out the Note Holder will deliber two becontages politic (57) of the	215200 Uhr III - 11 III
The Note Holder will deliver or mail to me a notice of any changes in my interest rate of any changes in my interest rate of any changes in my interest per description in a notice of any changes in my interesting by law to be given me and also the title and telephone number of a person in may have regarding the notice.	ISON Who will answer any
D. MANSFER OF THE PRODUCTY OF A THE	
Uniform Covenant 17 of the Security Instrument is amended to read as follows	NER of the second programme
transferred and Borrower is not a natural person) without Lender's prior write instrument. However, this option shall not be exercised by Lender if exerc (a) Borrower causes to be submitted to Lender information required by Lender instrument. Lender also shall not exerc (a) Borrower causes to be submitted to Lender information required by Lender intended transferred as if a new cloan were being made to the transferred that the risk of a breach of any covenant or agreement in this Security Instrument. Lender is security will not be impaired by the log that the risk of a breach of any covenant or agreement in this Security Instrument.	I or any part of the Borrower is sold or ten consent, Lender ed by this Security cise is prohibited by thereise this option if: ader to evaluate the ee; and (b) Lender an assumption and ent is acceptable to
condition to Lender's consent to the loan assumption. Lender may charge a resign an assumption agreement that is acceptable to Lender may also required the promises and agreements made in the Note and in this Society in the series and agreements made in the Note and in this Society instruction. If Lender exercises the option to require immediate payment in full, and the date the notice is delivered or mailed within which Borrower must pay at the date the notice is delivered or mailed within which Borrower must pay at the content of the provided and the security instrument. If Borrower falls to pay these sums prior to the expiration on Borrower.	es the transferee to ecurity Instrument. ment unless Lender Lender shall give than 30 days from
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenan	
PACE THE CONTINUE HATE KICEL.	is contained in pages 1
	VINDIUM THE (Seal)
이 시간 불렀다고요~ 그렇게 하기를 되었다. 하고 하고 있는 사람들은 사람들은 연기를 하지 않는데 다른데 사람들이 되었다.	THE WITER Borrower
[Property Address]	보기 경기 보기를 받았다.
A225 ONTX AVENUE KLAMATH FALLS OR 9750	(Seal)
SANK a TRUS: "Lender") of the same date and covering the properly described in the Second man.	-BOFFOWER
Deed (the "Security Instrument") of the same one mast VALLEY BARK 3. ITals: Borrower's Adjustable Rate Note (the "Note") to SOUTH VALLEY BARK 3. ITals:	(Seal)
SPANTONING THO THE SERIE AND LESS OF LOW TO THE CONTRACTOR OF THE SERVICE OF THE	Scutty (Agoutonia
THIS ADJUSTABLE RATE RIDER is made this 29 day of 001, 194	-Borrower
(1 Year Treasury Index-Rate Caps)	[Sign Original Only]
MULTISTATE ARM RIDER_ADMES (OF TAKE THE	r-su Gugulai Onlyj
MULTISTATE ARM RIDER-ARM 5-2-Single Family-FNMA/FHLMC UNIFORM IN ISC/CRID**//0195/3111(0385)-L Page 2 of 2	STRUMENT Form 3111 3/85

EXHIBIT "A" LEGAL DESCRIPTION

A portion of the S1/2 S1/2 NW1/4 NW1/4 of Section 11, Township 39 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Commencing at the Southwest corner of said \$1/2 \$1/2 \$NW1/4 \$NW1/4 of said Section 11; thence North 0 degrees 13 1/2' West, along the West line of said \$1/2 \$1/2 \$NW1/4 \$NW1/4, 189.0 feet and thence South 89 degrees 55 1/2' East, 120.0 feet, more or less, to the true point of beginning; thence South 89 degrees 55 1/2' East 100.5 feet, thence North 0 degrees, 13 1/2' West 128.7 feet more or less to the South Right of Way boundary of the U.S.B.R. No. 1-C-9 Drain; thence North 89 degrees 55 1/2' West along said right of way boundary 100.5 feet thence South 0 degrees 13 1/2' East 128.7 feet, more or less to the point of beginning also known as Lot 2 of SUMMERS LANE HOMES, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

D. C.C.

STATE OF OREGON: COUNTY OF KLAMATH: SS.	1
Filed for record at request ofAmerititle	
of Morroscoo o'clock A. M., and duly recorded in Vol. M96	
FEE \$50.00 Bernetha G. Letsch, County Clerk	
By Kuttler King	