Sent as a frequency at the motion of Self-10001 -1 A9 105 Vol. May Page 36063

WEEN RESERVED MAIL TO

LONG BE CH MORTGAGE COMPANY P.D. BOX 1490 SANTA ABA. CA 92711

ACCOUNT STATES 7762222-30303

TAR ACCOUNT NUMBER

Aspen Title #01048065
DEED OF TRUST

IS DEED OF TRUST ("Security instrument") is made on

The grantor is

HICE I NEALY and GLENN BLIEN NEALY, HUSBAND AND WIFE AS TENANTS BY THE ENTIRLEY ("Honewer") ar crustco is

("Truste"). The beneficiary is LONG BEACH MORTOAGE COMPANY

which is organized and existing under the laws of the State of Delaware 200 TOWN & COUNTRY ROAD ORANGE, CA 92868

Eighty Thoughd and no/100..... . and whose ("Lender"). Borrower owes Lender the principal sum of

This debt is expensed by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for nonthly payments with the full debt, if not paid earlier, due and payable on October 1, 2028 This Security Installment secures to Lender: (a) the repsyment of the debt evidenced by the Note, with interest, and all renewals, extensions and resultinations of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to exposible and requires of the Security Instrument; and (c) the performance of Horrower's coverants and egreenests under this common the Note that the Note t prosest are security for this security instrument; and (c) the performance of Horrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Horrower interocably grants and conveys to Trustee, in thus, with power of the MATH County of TRACT 21, INDEPENDENCE TRACTS, IN THE COUNTY OF KLAMATH.

which has sedered of 5735 INDEPENDENCE AVENUE Original 97603 DRESON-SINGS FEMILY STRAIG UNIFORM

KLAMATH PALLS (Zip Code)

CONTRACTOR INTENT Form 3038 PA 1872 ACS FORMS - 1800 621.7281

("Property Address");

Buen Cale

TOOR. CHANGE

50 non-Alband.

LONG BEACH MORTGAGE

TOGETHER WITH all the improvements now or asscaffer effected on the property, and all casements, appuriculances, and famines new or hosestics a part of the property. All replacements and additions shall also be covered by this Security lastrangent. All of the foregoing is referred to in this Security Instrument as the "Property." BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby convoyed and bas the right to grant and

shovey 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 demends, subject to any encumbrances of record

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform accurity instrument covering real property. UNIFORM COVENANTS. Borrower and Lender covenant and agree as tollows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Bor wer 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

2. Funds for Taxes and Insurance. Subject to applicable law of to a written waiver by Leader, Sorrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") tor: (a) yearly laxes and assessments which may attain priority over this Security Instrument as a lieu on the Property; (b) yearly leasehold payments or gound rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums. if eay; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the grovisions of paragraph 3, in lieu of the payment of mortgage insurance premiums. These stems are called 'Escrou' Items." Leader 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 Bottower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amounted from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Punds 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

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentatity, or entity (including Lander, if Lander 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 end applying the Funds, annually analyzing the excrow account or varifying the Escrow hems, 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 2 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 Punds. 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 Runds, 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

The Punce held by Lender exceed the amounts permitted to be held by applicable law, Lender that 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 an sufficient to pay the Escrow Rems when due, Lender may so notify Borrower in writing, and, in such case Borrower shall past to Londer the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than

Upon payroant in full of all sums secured by this Security Instrument. Lender shall promptly refund to Borrower any Funds head by Leader, M. under paragraph 21. Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds hold by Lender at the time of acquisition or sale as a credit against the sums accused by

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 small be applied. first, to any prepayment charges due under the Note, second, to amounts payable under paragraph 2:

6. Chargest Mens. Borrower shall pay all taxes, assessments, charges, flues and impositions attributable to the Property which may armin priority over this Security Instrument, and leasehold payments or ground tents, 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 proments

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 accurred by the lien in a manner acceptable to Lendor; (b) contests in good faith the lien by, or defined against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the conforcement of the lien; or (c) secures from the holder of the lien an agreement estisfactory to Londer subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a tien which may attain principly over this Security Instrument, Lender may give Borrower a notice identifying the Hen. Borrower shall satisfy the lies or take one or SHIOR STON

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5. Havard or Property Indicance, Borrower shall keep the Improvements now existing or hereafter second on the Property strated against loss by five hazards included within the term "estended coverage" and any other hazards, including floods of flooding, for which Lender requires insulance. This manualice shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Botrower subject to Lender's approvawhich shall not be unreasonably withineds. If Bonower fells 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.

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 premiurae and renowal notices. In the event of loss, Borrower thall give prompt notice to the insurance carrier and Lender.

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 sente a civil, 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 Institutent, whether or not then due. The 30-day period will begin when the notice is given.

Unicas Lander 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, Bortower'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

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leastholds Rorrower 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, of unless extenualing circumstances exist which are beyond Sorrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Burrower shall be in default if any forfesture action of proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Properly or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Buttower 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 Lendor's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lich created by this Socurity Instrument or Londer's security interest. Botrower shall also be in default if Borrower, during the loan application process, gave materially false or insecurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the land 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. Borroger shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenents and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Leader's rights in the Property (such as a proceeding in bangruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever necessary to protect the value of the Property and Leader's rights in the Property. Lender's sections may pay to windover a necessary to protect use value of the Property and Londer's rights in the Property. Lender's sections may include paying a runs secured by a hen which has priority over this Security Instrument, appearing in court, paying realwashie attorness fees and entering on the Property to make repairs. Although Lender may take action under this paragraph

Any amounts distrursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Socurity Instrument Unless Sorrower and Lender ogree to other terms of payment, these amounts shall bear interest from the dete of disputeenent at the Note rate and shall be physbio, with interest, upon notice from Lender to Sorrower requesting

8. Marrage Insurance, if Lander required mortgage insurance as a condition of making the long secured by this Security instrument, Horrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage influences coverage required by Lender lapses of 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 Borgawer of the morigage insurance proviously in effect, from an alternate morigage insurer approved by Lender IF substantially equivalent morrgage insurance coverage is not available. Bostower shall pay to Lender each month a sum equal to one-twelfth at the yearly mortgage insurance premium being paid by Bornwer when the insurance coverage lapsed or ceased to be in effect sender will accept, use and retain these paymonts as a loss reserve in lieu of merigage insurance. Loss reserve

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Page T of &

mother M Loan No. 7762222-30303 Physician may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Leader required provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to manyain mortage insurance in effect, or to provide a loss reserve, until the requirement for mortage insurance ends in accordance with any written agreement between Borrower and Londer or applicable law. 9. Impection. Lender of its agent may make reseasable entries upon and inspections of the Property. Lender shall give

Bostrower notice at the time of or prior to an inspection specifying reasonable cense for the inspection.

10. 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 fieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument. In the event of a partial taking of the Property in which the for whether or not then due, with any excess paid to Botrower. In the event of a partial taking of the Property in which the for market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this marker value of the property framewatery before the taking a equal to of greater than the amount of the same recurrency than Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the runs secured by security instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total this accuracy instrument shall be reduced by the saling, divided by (b) the fair market value of the Property immediately before the taking, divided by (b) the fair market value of the Property immediately amount of the sums secured immediately before the change, divided by (a) the only interest value of the Property in which the rail market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the naixet value of the groperty immediately octobe the taking is 1253 that the amount of the sums section immediately before the taking, 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 Lewier to Borrower that the condemnor offers to make an award or soule a claim for damages, Bottower fails to respond to Lander within 30 days after the date the notice is given. Award or senter a cannot for cannot be contoured than to respect to contour strains to deep and the same the nature to given.

Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the same

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

concess Legislation Bostower outclwise agree in writing, any apprication of proceeds to procept shall not extend or positione the date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. Borrower Not Released, Forbestance By Lender Not a Walver. Extension of the time for payment or modification of amorrization of the sums secured by this Security Instrument granted by Londer to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Boirower'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

ise of any right of remety.

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 (7. Borrower's covenants and agreements shall be joint and several. Any Borrower, subject to the provisions of lastrument but specs not execute the Note: (a) is co-signing this Security instrument only to moragage, great and convey that Borrower's integer in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums Instrument our spect not execute the twore: (a) is co-signing this occurry instrument only to moregage, grant one 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, forocar or the More without that Borrower's convention. make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent

23. Loan Charges. If the loan secured by this Security Instrument is subject to 2 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 parmitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted firmit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Bottoper. Lender may choose to make this refund by reducing the principal awed under the Note or by making a direct payment to Bottoper. If a refund teduces principal, the reduction will be treated as a partial prepayment without any

payment to Borrower. It a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment that suggestions and the following the Notices Annual content of Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class small 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 mail to Leader's address gated herein or any other address Leader designates by nonce to Borrower. Any notice provided for in this Socurity Instrumentable deemed to have been given to Borrower or Lender when given as provided in this paragraph.

Security instruments and to agreement to have occur given to isotrower or Lenger when given as provided in this paragraph.

15. Governor Law: Severability. This Security instrument shall be governed by federal law and the law of the juintification 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 siven affect without the conflicting provision. To this end the 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

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 Horrower. It all or any part of the Property or any interest in it is sold or manuferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without is one or signification of it a betterior interest in bottower is some or maintained and bottower is not a manufactured person; without before writing 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

Security instrument. Stowerer, and option shall not be exercised by Leader it exercise is promoted by teneral law as of the case of this Security Instrument.

If Leader exercises this option, Leader shall give Borrower notice of acceleration. The notice shall provide a period of not less than 35 days from the date the notice is delivered or mailed within which Borrower must pay all sums accured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Leader may invoke any remedies

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Losa No. 7762222-30393

18. Rorrower's Right to Heinstate, it Storrower meets certain conditions, Sorrower shall have the right to have As, Horrower's Right to Reinstate. If Berrower meets certain conditions, Borrower shall have the right to have confidencement of this Security Instrument discontinued at any time prior to the earlies of: (a) 3 days (or such other partied as applicable law may specify for remaintenant) before sale of the Property purvaent to any power of sale command in this Security Instrument; or (b) and of a judgment enforcing this Security Instrument. Those conditions are that Berrower (a) parties any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument and the Note as if no acceleration had occurred (b) including, but not limited to, reasonable attornow' fees, and (d) takes such action at Lendar may reasonably require to assure that the lieu of this Security Instrument. Lendar's rights in the Property and Borrower's obligation to assure sures accord by manuage, out not number to, reasonable attorneys' ices; and (d) takes such action as Lender may reasonably require to casure that the lieu of this Security Instrument, Lender's rights in the Property and Borrower's obligations 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 offective as if no acceleration had occurred. Research, this right to reinstate that

going required netway state remain only officerive as it the successful and vectories, the state of acceleration under paragraph 17.

19. Sale of Note: Change of Loan Servicer. The Note of a partial interest in the Note (together with this Security 19. Sale of Note). 19. Said of Prote; Change of Loan Burvicer. The Prote of a pariet director to the Prote (together with this Security Instrument) may be sold one of more times without prior notice to Bottower. A sale may result in a change in the entity (known as the "Loan Sorvicer") 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 or more changes of the Loan Services uniteract to a sage of the revole. It there is a unitage of the Loan Services, Bostower wist be given written notice of the change in accordance with paragraph 14 shove and applicable law. The notice will state the same and address of the new Loan Services and the address to which payments should be made. The notice will also contain any other

20. Respectives. 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 elec to do, anything affecting the Hazzacous Substances on of in the Property. Buttower countries to the angular vice to the angular accountries to the presence, use, or 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

Borrower thall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any softened that promptly give Lenger withen notice of any investigation, claim, demand, awaint of other action by any covernmental or regulatory agency of 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 temediation of any Hazardous Substance affecting the Property is necessary. Borrower shall promptly take

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental 229 and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic perifcides and harbicides, volatile solvents, unterials containing asbesics or formaldehyde, and radioactive materials. As used in has paragraph D. "Environmental Law" means foderal laws and laws of the jurisdiction where the Property is located that

this paragraph 20. "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that class to health, safety or environmental protection.

NON-HINTERIM COVENANTS. Bottower and Lender further covenant and agree as follows:

Acceleration; Remedies, Lender shall give nonce to Borrower prior to acceleration following Borrower's breach and covenant are given to Borrower prior to acceleration under paragraph 17 useful applicable law growide otherwise). The notice shall specify:

(a) the default;

(b) the exting to acceleration and advent the notice is given to Borrower, by which the default must be cured and secured by this Security Instrument and sale of the Property. The notice may result in acceleration of the sums defense after excleration and the right to bring a court action to assert the non-existence of a default or any other default, at he existen, may require immediate payment in full of all sums secured by this Security Instrument without contributed to collect and may invoke the power of able and only other remedies permitted by applicable law. Lender shall be to, reasonable atterneys fees and casts of title evidence.

It Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the

to, respectable alterneys' fees and cross of title cridence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of anisyent of default and of Lender's election to cause the Property to be sold and shall cause such notice to excorded in respectable 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 I-roperty at public law. After the time hidder 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 at public announcement at the time and place of any serviously scheduled sele. Lender or its designee may purchase the Property by public announcement at the time Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any coverant or warranty, therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but excess to the persons or persons legally entitled to it.

not unnece to, reasonable reasons legally entitled to it.

23. Encouveyance. 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. reconvey use property and snatt sufficient this Security instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is

permitted under opplicable law.

23. Substitute Trustee. Lender may, from time to time, remove Trustee and appoint a mecessor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed in all the title, power and duties

appointed indications. A timber conveyance of the stopeny, the successor mance after another in an tile time, power and coincered upon Trustee letterin and by applicable law.

24. Afternoys' Focs. As used in this Security Instrument and in the Nois, 'attorneys' fees' shall include any attorneys'

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Loss No. 7762222-30303

23. It can be the Security Instrument. If one of more riders are executed by Borrower and recorded together with this Security Instrument, the coverage and agreements of each such rider shall be incomposated into and shall amend and supplement the coverage and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

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[Second Home Rider Other(s) [specify] BY STEENG BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security instrument and any ridering resourced by Borrower and recorded with it. (Seal) -Borrows: (Seal) -Болгочег (Seal) (Scal) Borrower ate of O. Son, Or this setth day of SEPTEMBER lamath , personally appeared the above named MICHAE NEALY, AND GLENN ELLEN NEALY foregoing in sement to be THEIR and acionowledged voluntary act and deed. Comission apires: 3/22/01 MARLENE T ADDINGTON Before me: cial Scal) Noticy Public for Oregon SH(OR) (8 CPFICIAL SEAT MARLENE T. ADDINGTON NOTARY PUBLIC-OREGON COMMISSION NO. 060616 MARCH DIPRES MAR. 22, 2001

TOWER GRASSON

Loan No. 7762322-36303

FIXED/ADJUSTABLE RATE RIDER

THIS FIXED/ADJUSTABLE RATE RIDER is made on this 18th day of September .

1998 , and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of the or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to real Reprover's Fixed/Adjustable Rate Note (the "Note") to : LONG BEACH MORTGAGE COMPANY

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

5735 INDEPENDENCE AVENUE KLAMATH FALLS, OR 97603

[Proporty Address]

THE NOTE PROVIDES FOR A CHANGE IN THE BORROWER'S FIXED INTEREST RATE AND TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

DITIONAL COVENANTS: In addition to the covenants and agreements made in the Security Instrument, for and Londer further covenant and agree as follows:

DUSTABLE RATE AND MONTHLY PAYMENT CHANGES

Note provides for an initial fixed interest rate of 0.990 to the initial fixed rate to an adjustable interest rate, as follows:

%. The Note also provides for

My year

ustable diterest rate and monthly payment changes

and faithal fixed interest rate will change to an adjustable interest rate on the first day of October 25 f. and on the first day, of the month every 6th month thereafter. Each date on which the adjustable interest has could change is called a "Change Date."

(b) 190 Index

East suits with the first Change Date, the interest rate will be based on an Index. The "Index" is the average the Undon interbenk offered rates for six month dollar deposits in the London market based on quotations at banks ("LISOR"), as set forth in the "Money Rates" section of The Wall Street hournal, or if the tree section creases to be published or becomes unavailable for any reason, then as set forth in a publication selected by the Londor. The most recent Index figure available as of the date 45 days. Change Date is called the "Current Index."

at Carulation of Changes

Six and One

percentage point(s) (6.250 %) to the countries will then round the result of this addition to the nearest one-eighth of our percentage (3.5). Subject to the limits stated in Section 1(d) on the following page, this rounded amount will be the fact that the next Change Date.

Tale Care pla Rate Rider - Liber

Prie 1 of 3 PLECTACHIC LASER FORMS INC. . (SOCIEST-DESE

Loau No. 7762222-30203

The Lender will then determine the amount of the munthly payment that would be sufficient to repay the mend principal balance as of the Change Date in full on the Memrity Date at the new interest rate in potantially equal payments. The result of this exiculation will be the new monthly payment.

(d) Limits on Interest Rate Changes

The interest rate at the first Change Date will not be greater than 10,990 %. Thereafter, the adjustable interest rate will never be increased or decreased on any state Change Date by more than anitage points (1.014 %).

A similar points (1.014 %).

A similar points (1.014 %).

A similar points (1.014 %). 1.004 %) from the rate of interest applicable during the preceding 6 months. The %, which is called the 'Maximum Rate' % which is called the "Minimum Rate".

Effective Date of Changes

Lith new adjustable interest rate will become effective on each Change Dars. The amount of each new y payment will be due and payable on the first monthly payment date after the Chango Date until the many of the monthly payment changes again.

Notice of Changes
Lander will deliver or mail a notice of any changes in the adjustable interest rate and the amount of the
new againstity payment to the Borrower before the effective date of any change. The notice will include size a required by law to be given to the Borrower and also the title and telephone number of a person who will sever say questions regarding the police.

B. TO NUMBER OF THE PROPERTY OR A BENEFICIAL INTERFST IN BORROWER

1. Use Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section above, Uniform Covenant 17 of the Security Instrument provides as follows:

for of the Property or a Bandicial Interest in Borrower. If all or any part of the Property or any interest it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a name person) without Lendey's prior written consumt, Lender may, at its option, require immediate payment in sums secured by this Security Instrument. However, this option shall not be exercised by Lender if prohibited by federal law as of the date of this Security Instrument.

It is given exercises this option. Lender shall give Borrower notice of acceleration. The notice shall provide a

period whose less than 30 days from the date the active is delivered or mailed within which Horrower must pay all provide a runns as the by this Security Instrument. If Borrower falls to pay these sums prior to the expiration of this period, see that invoke any remedies permitted by this Security Instrument without further active or demand on Borrower.

White corrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section bove, Uniform Covenant 17 of the Security Instrument contained in Section B(1) above shall then cease to the effect, and Uniform Covenant 17 of the Security Justiument shall be amended to read as follows:

of the Property or a Boneticial Interest in Burrower. If all or any part of the Property or any sest in it is sold or transferred (or if a teneficial interest in Borrower is sold or transferred and Borrower is not estel passon) without Lender's prior written consent, Leader may, at its option, require immediate payment in sof all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if

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Loan No. 7762222-30303

sercise is prohibited by federal law as of the dare of this Security Instrument. Lender also shall not exercise this sign if, (a) Borrowen causes to be submitted at Lender information required by Lender to evaluate the intended passence at it a new loan were being made to the transferer; and (b) Lender reasonably determines that Lender's garity will not be impaired by the loss assumption and that the risk of a breach of any covenant or agreement to To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's seen to the loan assumption. Lender also may require the transferre to sign an assumption agreement that is speable to Lendor and that obligates the transferee to keep all the promises and agreements made in the Note principle to Actual man day outgoins are transfered to be obligated under the Note and Security Instrument Londer exercises the option to require immediate payment in full, Lender shall give Borrower notice of eration. The notice shall provide a period of not less than 30 days from the dete the notice is delivered or within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay sums prior to the expiration of this period. Lender may invoke my remedies permitted by this Security SIGNING BELOW. Burrower accepts and agrees to the terms and covenants contained in this Plan Adjustable Rate Rider, (Seal) (Seal) ginal Colyt lle Mate Alder - Liber 36030 1051e arigero librito Loon No. 7762222-30303 STATE OF OREGON: COUNTY OF KLAMATH: SS. Filed for record at request of Aspen Title Co the day A.D., 19 98 at 9:05 o'clock M., and duly recorded in Vol. Mortgages on Page 36063

Bernetha G. Letsch, County Clerk

Oct :

FEE \$50.00 Non Stan 20.00