



the funds held by Lender to meet the unexpired Fines in accordance with its remaining term of 16 years. Except where it has due, Lender may not cease to make up the deficiency. Borrower shall

Upon payment in full of all sums secured by Lender, if, under Paragraph 21, Lender shall receive my books held by Lender at the time of acquisition,

3. Application of Payments. [Article 21] shall be applied: first, to any prepayment or charge due; fourth, to principal due; and last, to any late charges.

**4. Charge; Lien.** Borrower shall pay in  
may attain priority over said Security Instrument and  
maner provided in paragraph 2, or if not paid in  
Borrower shall promptly furnish to Lender all notices  
Borrower shall promptly furnish to Lender all receipts and

Borrower shall promptly discharge any lien or  
the payment of the obligation recured by the lien in a  
disbursement of the lien in legal proceedings which  
is held to be the holder of the lien an agreement satisfactory to Lender  
that the Property is subject to a lien which may affect  
the lien. Borrower shall satisfy the lien or risks costs of  
the lien.

**C. Hazard or Property Insurance.** **Borrower** insures loan by fire, **Hazard** included within the term under **Fire insurance**. This insurance shall be in force providing the insurance shall be chosen by **Borrower** liable to maintain coverage described above. **Lender** in accordance with paragraph 7.

All insurance policies and renewals shall be at  
the right to hold the policies and renewals. If Lender  
fails to receive notices. In the event of loss, Borrower shall  
not make prompt by Borrower.

Unless Lender and Borrower otherwise agree in writing, if the restoration or repair is economically unreasonably feasible, Lender's security shall be released, whether or not they die, with any excess money given to Lender that the insurance carrier has paid to the proceeds of repair or restore the Property. Payment period will begin when the notice is given.

**6. Occupancy; Preservation, Maintenance, and  
Use.** Borrower shall occupy, establish, and use the Property as Borrower  
shall continue to occupy the Property as Borrower  
otherwise agrees in writing, which consent shall not be  
subject to Borrower's control. Borrower shall not destroy, damage  
or damage the Property. Borrower shall be in default if any foul or un-  
sanitary condition could result in forfeiture of the Property or  
cause personal injury or death. Borrower may cure such a defect as  
immediately with a ruling that, in Lender's good faith,  
such a material impairment of the use created by this Security  
agreement, in connection with the loan application process, gave materially false  
or inaccurate information. If Borrower acquires the title  
to the property in writing.

7. Protection of Lender's Rights in the Property Security Instrument, or in a legal proceeding the bankruptcy, probate, or condominiumization of the instrument or to protect the value of the Property and Lender's rights which has priority over this Security Instrument, appear below. Although Lender may take action under this part

Any amounts disbursed by Lender under this instrument, Unless Borrower and Lender agree to otherwise, at the Note rate and shall be payable, with interest, upon

**8. Mortgage Insurance.** If Lender requires instrument, Borrower shall pay the premiums required advance coverage required by Lender insures or causes substantially equivalent to the mortgage insurance previously insurance previously in effect, from an ultimate mortgage coverage is not available, Borrower shall pay to Lender being paid by Borrower when the insurance coverage is a loss reserve in lieu of mortgage insurance. Loss reinsurance coverage (in the amount and for the period that is available and is obtained. Borrower shall pay the premiums the requirement for mortgage insurance ends in accordance

**9. Inspection.** Lender or its agent may make notice at the time of or prior to an inspection, specifying a

10. Condemnation. The proceeds of any action or other taking of any part of the Property, or for compensation in the event of a condemnation.

In the event of a total taking of the Property, his or her right to any excess paid to Borrower. In the event of a partial taking, unless Borrower and Lender otherwise agree, the amount of the proceeds multiplied by the following divided by (b) the fair market value of the Property minus the amount of the Property in which the fair market value was determined immediately before the taking, unless Borrower and Lender otherwise agree, shall be applied to the sum secured by this Note.

Under such circumstances, however, the holder of any instrument is not entitled to payment, shall it go to tender the amount due, or make payment, at Hause's sole discretion.

his security instrument, either and promptly refund to Borrower any Funds held by  
or set the Facility, Lender, prior to the liquidation or sale of the Property, shall apply  
to the credit of that amount secured by this Security Instrument.

public law provided otherwise, all payments received by Leader under paragraphs 1 and 2 under the Note, second, to amounts payable under paragraph 2; third, to interest on the same under the Note.

taxes, assessments, charges, fines and impositions attributable to the Property which are due and payable or ground rents, if any. Borrower shall pay these obligations to the Tax Collector, Borrower shall pay them on his behalf directly to the person owing payment. Amounts to be paid under this paragraph by Borrower under these payments in current, including the payment of tax, shall be priority debts.

Securitv Instnmt unless Borrower: (i) agrees in writing to  
redeem; (ii) consents in good faith the lien by, or assigns against  
agent to prevent the non-creases of the item; or (c) recoups from  
the Securitv Instnmt. If Lender determines that any  
Securitv Instnmt, Lender may give Borrower a notice identifying  
the above within 10 days of the giving of notice.

it shall keep the improved  
extended cov.\*\* and  
caused in the amounts  
subject to Lender's option,  
at Lender's option, obtain  
and now existing or hereafter created on the Property interest  
by other tenants, including fields or bedding, for which  
for the period at Lender's request. The interests can  
not which shall not be unreasonably withheld. If Borrower  
a coverage to protect Lender's rights in the Property in ac-

aptible to Lender and shall include a stand of mortgage clause. Lender shall have  
requires, Borrower shall promptly give to Lender all receipts of paid premiums and  
a prompt notice to the insurance carrier and Lender. Lender may make proof of loss

writing, insurable proceeds shall be applied to restoration or repair of the Property, feasible and Lessor's security is not lessened. If the restoration or repair is not completed, the insurance proceeds shall be applied to the sum secured by this Security Agreement to the extent of the amount so expended.

writing, any application of proceeds to principal shall not extend or postpone the due date of or change the amount of the payment. If under paragraph 21 the Property policies and proceeds resulting from damage to the Property prior to the requisition, its security if it is present immediately prior to the requisition.

Prevention of the Property; Borrower's Loan Application; Leaseholds. Within sixty days after the execution of this Security Instrument for as long as one year after the date of occupancy, unless Lender intentionally willfully fails or, unless extraordinary circumstances exist which are beyond Lender's control, Lender shall not, without first giving the Borrower notice and opportunity to cure, allow the Property to deteriorate, or commit waste on the Property, or prosecute, whether civil or criminal, a suit against Lender's good faith, otherwise than by means of the lien created by this Security Instrument or Lender's instrument, as provided in paragraph 15, by causing the action or proceeding to be discontinued, or rescinded, or Lender's interest in the Property or other instrument or Lender's security interest. Borrower shall also be in default if Borrower, or inaccurate information, or statements to Lender (or failed to provide Lender with evidence. If this Security Instrument is on a leasehold, Borrower shall comply with all the Property, the leasehold and the fee simple shall not merge unless Lender agrees.

If Borrower fails to perform the covenants and agreements contained in this Agreement, Lender's rights in the Property (such as a proceeding in law or in equity to enforce laws or regulations), then Lender may do and say for whatever is necessary to protect its interest in the Property. Lender's actions may include paying any sums secured by a lien or reasonable attorney's fees and entering on the Property to make repairs as are necessary.

become additional debt of Borrower incurred by this Security  
herein amount shall bear interest from the date of disbursement.

mortgage insurance as a condition of making the loan secured by this Security instrument in the mortgage insurance in effect. If, for any reason, the mortgage insurance in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the cost to Borrower of the mortgage insurance approved by Lender. If substantially equivalent mortgage insurance premiums equal to one-twelfth of its yearly mortgage insurance premium or deemed to be in effect, Lender will accept, use and retain these payments as payments may be required, at the option of Lender, if mortgage insurance provided by an insurer approved by Lender again becomes available to Borrower at a reasonable cost, or to provide a loss reserve, until such time as a written agreement between Borrower and Lender.

asciable action upon and inspection of the Property. Lender shall give Borrower reasonable notice for inspection.

and to claim for damages, or  
penalty in lieu of interest, or  
fees or consequential, in connection with any circumstance,  
thereby arising and shall be paid to Lender.

Secured shall be applied in  
the event of a partial taking  
of the amount of the  
secured in writing, to the sum  
of: (a) the total amount  
secured by this Security  
Instrument, less the amount  
of the sums advanced  
by Lender under this  
Agreement, and (b) the  
amount of the sum secured  
by this Security Instrument  
less the amount of the sum  
advanced by Lender under  
this Security Instrument.





EX-21311

"A"

## Legal Description:

A portion of Lot 46, MERRILL TRACTS, in the County of Klamath, State of Oregon, described as follows:

A parcel of land situated in the NE  $\frac{1}{4}$  NW  $\frac{1}{4}$ , Section 11, Township 41 South, Range 10 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at the quarter corner common to Sections 2 and 11, Township 41 South, Range 10 East of the Willamette Meridian; thence Westerly 700 feet along the section line between Sections 2 and 11, being the centerline of a county road, to a point on said section line; thence Southerly 30.0 feet at right angles to said section line to the right of way line of said county road, being the true point of beginning; thence Easterly, 115.00 feet along the right of way line of said County Road and parallel to said section line to a point; thence Southerly at right angles to said section line to the high water line of Lost River; thence Westerly along the high water line of Lost River to a point approximately 221 feet South of the point of beginning; thence North to the point of beginning.

## STATE OF OREGON : COUNTY OF KLAMATH:

Filed January first day of	First A	ritten T	le	the	2d	day
of <u>January</u>	<u>A.D. 1999</u>	<u>11:14</u>	<u>o'clock</u>	<u>A.M.</u>	<u>1999</u>	<u>of</u>
or	M.D.C. 2382			on page	J.C.	
FEE	\$30.00			by	Linda Smith	County Clerk