

Use additional sheets if required. Tax stamps are not required. Send to the following address:

19 JAN 19 99 PM 26

WSPR RECORDED MAIL TO KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION  
2300 MADISON STREET  
KLAMATH FALLS, OREGON 97603

ACCOUNT NUMBER: 06004006

TAX ACCOUNT NUMBER 461555 & 062454

WTC 47069-KS

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on JANUARY 15, 1999. The grantor is

MARIE A. HESLER

("Borrower"). The trustee is WILLIAM J. SISEMORE

("Trustee"). The beneficiary is KLAMATH FIRST FEDERAL SAVINGS & LOAN ASSOCIATION

which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose address is 2300 MADISON STREET, KLAMATH FALLS, OREGON 97603

("Lender"). Borrower owes Lender the principal sum of

\*\*SIXTY FOUR THOUSAND & NO/100 Dollars (U.S. \$ 64,000.00)

This debt is 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 FEBRUARY 1, 2029. 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; and (d) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to the paragraph below ("Future Advances").

FUTURE ADVANCES. Upon request to Borrower, Lender, at Lender's option prior to full reconveyance of the property by Trustee to Borrower, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Deed of Trust when evidenced by promissory notes stating that said notes are secured hereby. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in

KLAMATH County, Oregon:

LOT 24, BLOCK 29 OF KLAMATH FALLS FOREST ESTATES, HIGHWAY 66 UNIT, PLAT NO. 2 ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of 9045 GROUND SQUIRREL DRIVE BONANZA [Street, City], Oregon 97623 [Zip Code] ("Property Address");

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

BORROWER COVENANTS that Borrower is lawful, single of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record, Borrower warrants and will defend generally the title in the Property against all claims and demands, 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 security instrument covering real property.

UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the 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 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") equal to one-twelfth of: (a) yearly taxes and assessments which may attach to 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 account not to exceed the maximum amount a Lender for a federally related





Lender exercises this option, Lender shall have 10 days from the date the notice is delivered to Borrower to pay the sums secured by this Security Instrument without further notice or delay. Borrower's right to Reinstate. If Borrower of this Security Instrument discontinued at any time prior to a judgment enforcing this Security Instrument, Lender shall have the right to have enforcement of this Security Instrument before sale of the Property. These conditions are that Borrower: (a) pays Lender all sums which then are due under this Security Instrument and reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument shall remain in full force and effect. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times with or without notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not 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 which Borrower has actual knowledge. If Borrower 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: pesticides and herbicides, volatile solvents, materials containing asbestos or radionuclides. 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 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.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any parcel of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law in 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 the 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's deed conveying the Property without any covenant or warranty, Trustee's deed shall be prima facie 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.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property without warranty for a fee of not less than \$5.00 to the person or persons legally entitled to it. Such person or persons shall pay any recording costs.

23. Substitute Trustee. Lender may, at any time, remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appropriate court.

25. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of this Security Instrument and supplement shall be incorporated into and shall amend and supplement the instrument as if the rider(s) were a part of this Security Instrument.

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- VA Rider

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The notice shall provide a period, not less than 30 days from the date the notice is delivered to Borrower to pay the sums secured by this Security Instrument without further notice or delay. Borrower's right to Reinstate. If Borrower of this Security Instrument discontinued at any time prior to a judgment enforcing this Security Instrument, Lender shall have the right to have enforcement of this Security Instrument before sale of the Property. These conditions are that Borrower: (a) pays Lender all sums which then are due under this Security Instrument and reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument shall remain in full force and effect. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred under paragraph 17.

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- Condominium Rider
- Planned Unit Development Rider
- Rate Involvement Rider
- Other(s) [specify]
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

UNDER OREGON LAW, MOST AGREEMENTS CONCERNING LOANS AND OTHER CREDIT EXTENSION WHICH ARE NOT FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY US TO BE ENFORCEABLE.

IF ONE OR MORE RIDERS ARE EXECUTED BY BORROWER AND RECORDED TOGETHER WITH THIS SECURITY INSTRUMENT, THE COVENANTS AND AGREEMENTS OF THIS SECURITY INSTRUMENT AND SUPPLEMENT SHALL BE INCORPORATED INTO AND SHALL AMEND AND SUPPLEMENT THE INSTRUMENT AS IF THE RIDER(S) WERE A PART OF THIS SECURITY INSTRUMENT.

BY SIGNING BELOW, Borrower, accepts full responsibility for the contents and validity of this Security Instrument and in any order(s) executed by Borrower and recorded with this Office.

*Martin A. Gisler*  
MARTIN A. GISLER

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

(Seal)  
-Borrower

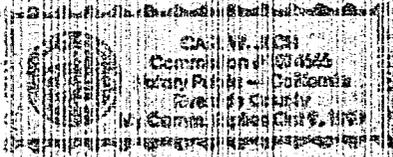
STATE OF CALIFORNIA  
On this 16<sup>th</sup> day of JANUARY, 1999  
MARTIN A. GISLER

County ss: Butte  
personally appeared the above named  
and acknowledged

the foregoing instrument to be HER  
My Commission Expires: OCT 9 1999  
(Official Seal)

voluntary act and deed.  
In presence of

*[Signature]*  
County Public Registrar



STATE OF OREGON: COUNTY OF KLAMATH

Filed for record at request of \_\_\_\_\_ American Title \_\_\_\_\_ the \_\_\_\_\_ 19th day  
of January, A.D., 1999 at \_\_\_\_\_ o'clock P.M., and duly recorded in Vol. 1029  
of \_\_\_\_\_ on Page 1736

SEE \$10.00

by *[Signature]*  
Lared Smith, County Clerk