

3250
WHEN RECORDED MAIL TO:
POLARIS MORTGAGE ASSOC.
1533 E. YOSEMITE HIGHWAY,
BURLINGAME CALIFORNIA.

Loan No. 170312014

THIS
11/15/98
4010

11-53412

SPACE ABOVE THIS LINE FOR RECORDER'S USE

DEED OF TRUST

THIS DEED OF TRUST. Security instrument is made on 1/3/1999.
The grantor is CLAUD H. RODGER is AND BARBARA J. RODGERS ("Borrower").
The trustee is FIRST AMERICAN TITLE INSURANCE COMPANY, A CALIFORNIA CORPORATION.
The beneficiary is POLARIS MORTGAGE ASSOCIATES, A DIVISION OF PROVIDENT FUNDING
LA LIMITED PARTNERSHIP which is organized and existing under the
laws of Oregon, and whose address is
10220 S.W. GREENBUICK ROAD SUITE 390, TWO LINCOLN CENTER
PORTLAND, OR 97223 ("Lender").

Borrower owes Lender the principal sum of ONE HUNDRED TEN THOUSAND AND 00/100 Dollars (U.S. dollars) (\$110,000.00). 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 2/1/2029. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, plus interest and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraphs of Borrower's covenants and conditions under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants an convey to Trustee, in trust, with power of sale, the following described property located in Klamath County, Oregon:

LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".

ADJUSTABLE RATE MORTGAGE ATTACHED HERETO AND MADE A PART HEREOF.

PREPAYMENT PENALTY ATTACHED HERETO AND MADE A PART HEREOF.

which has the address of
23803 MALONE RD.
TERRILL, OREGON
("Property Address").

OREGON - Single Family - Family M
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INSTRUMENT

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Form 1038 9/90

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TOGETHER WITH all the appurtenances, and fixtures, now or hereafter erected on the property, and all easements, tenancies at part of the property. All replacements and additions shall also be part of the Property.

BORROWER COVENANT
Borrower covenants to grant and convey the Property to Lender, to warrant and defend the title to the Property against all claims and demands, subject to any encumbrances of record.

THE SECURITY INSTRUMENT
covenants with limited variations

improvements now or hereafter erected on the property, and all easements, tenancies at part of the property. All replacements and additions shall also be part of the Property.

All of the foregoing is referred to in this Security Instrument as the "Property".

that Borrower is lawfully seized of the estate hereby conveyed and has the title thereto in fee simple absolute, except for encumbrances of record, generally the title to the Property against all claims and demands, subject to any encumbrances of record.

MENT contributes uniform covenants for national use and non-uniform 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 first day of each month, monthly payments, which may attain priority over this Security Instrument as a lien on the Property; (b) yearly taxes on the Property; (c) property insurance premiums; (d) hazard insurance premiums, if any; and (e) any sum payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of hazard insurance premiums. These items are called "Escrow Items".

Borrower shall pay to Lender, 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, unless another law that applies to this Security Instrument permits a lesser amount. If so, Lender may, at any time, collect and hold a lesser amount. Lender may estimate the amount of Funds due on the basis of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in trust by Lender, if Lender applies the Funds to pay the Escrow Items, annually analyzing the escrow account and applying the Funds and applicable law permits, pay a one-time charge for an initial loan, unless applicable law provides 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, of the Funds, showing credits and debits to the Funds and the purpose for which such 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 account to Borrower for the excess of the Funds held by Lender in any account, in writing, and, in such

institution whose deposits are insured by a federal agency, instrumentality, or such an institution or in any Federal Home Loan Bank. Lender shall not charge Borrower for holding and applying the Funds, or verifying the Escrow Items, unless Lender pays Borrower interest on Lender to make such a charge. However, Lender may require Borrower to pay Lender a service charge for the use of Lender's independent real estate reporting service used by Lender in connection with this Security Instrument. Unless an agreement is made or applicable law requires interest to be paid on the Funds, Borrower shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender shall give to Borrower, of the Funds, showing credits and debits to the Funds and the purpose for which such debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

exceed the amounts permitted to be held by applicable law, Lender shall apply in accordance with the requirements of applicable law. If the amount held by Lender is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower, who shall pay to Lender the amount necessary to make up the difference.

OREGON - Single Family - Family Nine	File No.	SEARCHED	INDEXED	FILED	Form 3038 9-90
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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 required by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by 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 sum 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 interest due; third, to principal due; and last, to any late charges due under the Note.

4. Charges, Liens, Attributable to the Property. Borrower shall pay all taxes, assessments, charges, fines and impositions which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over his Security Instrument unless Borrower: (a) agrees in writing with Lender; (b) contests in good faith which in the Lender's opinion is an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property 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 for the periods that Lender requires. The insurance carrier providing the insurance shall be subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails 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 give to Lender all receipts of prompt notice to the insurance carrier and Lender. Lender may institute proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to any damage, if the restoration or repair is economically feasible and Lender's security would be 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 to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that insurance proceeds, Lender may collect the insurance proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not the same are 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 1 the Property is acquired by Lender, Borrower's right to any

OPTION	Single Family Residential	Vehicle Model	FORM	INSTRUMENT	File No.
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insurance policies and proceeds reserved by Lender to the extent of the same secured by this Security Instrument.

6. Occupancy, Preservation Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the Property is Borrower's principal residence unless otherwise agreed in writing, which circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any civil or criminal action is begun that in Lender's good faith judgment could otherwise materially impair the lien created by this Security Instrument or may cure such a default and reinstate, as provided in paragraph 18, by be dismissed with a ruling that, in Lender's good faith determination, interest in the property or other material impairment of the lien created by security interests. Borrower shall also be in default if Borrower, during the loan application process, give material false or inaccurate information or statements to Lender (or failed to do so) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning the occupancy of the Property as a principal residence. If this Borrower shall not comply with all the provisions of the lease. If Borrower acquires the 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 Agreements. If Lender's agreements contained in this Security Instrument conflict with Lender's rights in the Property (such as 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 which has priority over this Security Instrument entering on the Property to make repairs, not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Such amounts shall bear interest from the date of disbursement from Lender to Borrower at the rate of 12% per annum.

8. Mortgage Insurance. Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, such insurance in effect. If, for any reason in effect, Borrower shall pay the premium previously in effect, and a new coverage previously in effect, from an alternate insurance company is not available, the yearly mortgage insurance premium in effect, Lender will accept, use and reserve payments may no longer be sufficient and for the period that Lender is available and is obtained. Borrower to provide a less reserve, based on the agreement between Borrower and Lender.

unit from damage to the Property prior to the acquisition shall pass to Lender by this Security Instrument immediately prior to the acquisition.

9. Maintenance and Protection of the Property; Borrower's Lien. Borrower shall occupy, establish, and use the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any civil or criminal action is begun that in Lender's good faith judgment could otherwise materially impair the lien created by this Security Instrument or may cure such a default and reinstate, as provided in paragraph 18, by be dismissed with a ruling that, in Lender's good faith determination, interest in the property or other material impairment of the lien created by security interests. Borrower shall also be in default if Borrower, during the loan application process, give material false or inaccurate information or statements to Lender (or failed to do so) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning the occupancy of the Property as a principal residence. If this Borrower shall not comply with all the provisions of the lease. If Borrower acquires the title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. 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 the property, such as bankruptcy, probate, or condemnation or forfeiture or to Lender may do and pay for whatever is necessary to protect the value of the property. Lender's actions may include paying any sums secured by a lien appearing in court, paying reasonable attorney's fees and costs. Although Lender may take action under this paragraph 7, Lender does

Lender under this paragraph 7 shall become additional debt of Borrower unless Borrower and Lender agree to other terms of payment, these amounts shall be payable at the Note rate and shall be payable, with interest, upon notice given by Lender.

Borrower shall pay the premium required to maintain the mortgage insurance coverage required by Lender lapses or ceases to be maintained, required to obtain coverage substantially equivalent to the mortgage insurance substantially equivalent to the cost to Borrower of the mortgage insurance coverage previously approved by Lender. If substantially equivalent mortgage insurance is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the amount paid by Borrower when the insurance coverage lapses or ceases to be maintained, as a loss reserve, in lieu of mortgage insurance. Loss reserve, at the option of Lender, if mortgage insurance coverage (in the event it becomes available and is obtained) provides by an insurer approved by Lender again becomes available and is obtained, Borrower shall pay the premium required to maintain mortgage insurance in effect, or the requirement to maintain mortgage insurance ends in accordance with any written or applicable law.

OREGON	Single Family - Partially Insured	11-1000	None	11-1000	11-1000	Form 2029	\$20
COHORN, JR.	1609881005 AM P# - 01/11/98	132 PM	11-1000-1000	Page 4 of 5			

9. Inspection. Lender or its Lender shall give Borrower notice at inspection.

10. Condemnation. The connection with any condemnation or condemnation, are hereby assigned and

In the event of a total taking Security Instrument, whether or not the of the Property in which the fair market than the amount of the sums secured and Lender otherwise agree in writing amount of the proceeds multiplied immediately before the taking, divided. Any balance shall be paid to Borrower value of the Property immediately before the taking, unless Borrower provides, the proceeds shall be applied then due.

If the Property is abandoned offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after is authorized to collect and apply the proceeds, at its option, either to the sums secured by this Security instrument, whether or not then due. Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date amount of such payments.

11. Borrower Not Release payment or modification of amounts any successor in interest of Borrower's successors in interest. Lender may refuse to extend time Security Instrument by reason of any. Any forbearance by Lender in extending any right or remedy.

12. Successors and Assignments of this Security Instrument subject to the provisions of paragraph Borrower who co-signs this Security Instrument only to mortgage, grant Security Instrument; (b) is not permitted to agree that Lender and any other with regard to the terms of this Sec

13. Loan Charges. If maximum loan charges; and that it be collected in connection with a reduction by the amount necessary from Borrower which exceeded to be refund by reducing the principal

amount may, in its reasonable opinion, require an inspection, specifying a reasonable cause for the

bed of any award or claim for damages, direct or consequential, in respect of any part of the Property, or for conveyance in lieu of

shall be paid to Lender.

In the event of a partial taking of the Property, the proceeds shall be applied to the sums secured by this due, with an excess paid to Borrower. In the event of a partial taking value of the Property immediately before the taking is equal to or greater than this Security instrument immediately before the taking, unless Borrower the sums secured by this Security instrument shall be reduced by the following fraction: (a) the total amount of the sums secured by (b) the fair market value of the Property immediately before the taking.

In the event of a partial taking of the Property in which the fair market value of the taking is less than the amount of the sums secured 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 notice by Lender to Borrower that the condemnor is not paying the amount awarded to Borrower fails to respond to Lender within 30 days after is authorized to collect and apply the proceeds, at its option, either to the sums secured by this Security instrument, whether or not then due. Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date amount of such payments referred to in paragraphs 1 and 2 or change the

Forbearance By Lender Not a Waiver. Extension of the time for payment of the sums secured by this Security instrument granted by Lender to Borrower shall not operate to release the liability of the original Borrower or Lender shall not be required to commence proceedings against any successor or payment of otherwise modify amortization of the sums secured by this Security instrument 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

Joint and Several Liability; Co-signers. The covenants and shall bind and benefit the successors and assigns of Lender and Borrower, and Borrower's covenants and agreements shall be joint and several. Any instrument that does not execute the Note: (a) is re-signing this Security instrument; and convey that Borrower's interest in the Property under the terms of this instrument; or the sums secured by this Security instrument; and (c) Borrower may agree to extend, modify, forbear or make any accommodations Note without that Borrower's consent.

Security Instrument is subject to a law which sets maximum loan charges; and that it is finally interpreted so that the interest or other loan charges collected or to loan exceed the permitted limits; (a) any such loan charge shall be reduced the charge to the permitted limit; and (b) any sums already collected beyond the permitted limit will be refunded to Borrower. Lender may choose to make this direct payment to Borrower. If a refund

CREG# N-Single Family-Rental Note
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PF - 011/99 1:36 PM

End Date: 10/25/2014 TERM: 12 MONTHS
Lender Name: C.R. 42
Signature: S. G.
Form # 333-9/93

reduced principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice address or any other address Borrower designates by notice to Lender. Any first class mail to Lender's address stated herein or any other address Lender may notice provided for in this Security Instrument shall be deemed to have been given as provided in this paragraph.

15. Governing Law; Severability. The law of the jurisdiction in which the instrument or the Note conflicts with this Security Instrument or the Note which can be given effect without such 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 conforming copy of the Note and of this Security

17. Transfer of the Property or any interest in it is sold or transferred (Borrower is not a natural person) immediate payment in full of all sums secured by this Security Instrument if exercise is permitted by Lender if exercise is permitted 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 specify from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke all remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reclaim. 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 any specified reinstatement period) 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 had an acceleration occurred; (b) cures every default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, a such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights under this Security Instrument shall continue and the obligations secured hereby shall not apply in the event of acceleration under paragraph 7.

19. Sale of Note; Change of Servicer. The Note or a partial interest in the Note (together with one or more loans with or prior notice to Borrower. A sale may result in a change in the entity known as the "Loan Servicer". This servicer collects monthly payments due under the Note and this one or more changes of the Loan Servicer unrelated to a sale of the Note, Borrower will be given written notice of the change in accordance with the notice will state the name and address of the new Loan Servicer and be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. release of any Hazardous Substances or anything affecting the Property that is

OREGON--Single Family--Fannie Mae/ Fidelity

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(2) 01/01/1994 11:16 PM

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110098	110098	110098

not apply to the presence, use, or generally recognized to be appropriate.

Borrower shall promptly take action by any governmental or Substance or Environmental Law any governmental or regulatory affecting the Property is necessary with Environmental Law.

As used in this paragraph hazardous substances by Environmental Law and toxic petroleum products, formaldehyde, and radioactive materials and laws of the jurisdiction where

NON-UNIFORM COVENANTS

21. Acceleration; Remedies. Borrower's breach of any covenant required to cure the default; (c) which the default must be cured notice may result in acceleration notice shall further inform Borrower to assert the non-existence of a default or before the date of all sums secured by this Security Instrument other remedies permitted by applicable law and evidence provided in this paragraph.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of fault and of Lender's election to cause the Property to be sold. Trustee shall in each county in which any part of the Property is located. Lender or Trustee prescribed by applicable law to Borrower and to the other persons prescribed by a public notice of sale to the persons in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at public announcement in the time and place of any previously scheduled sale. Lender or its designee may

Trustee shall deliver warrant, expressed or implied the statements made therein, expenses of the sale, including those set forth in this Security Instrument.

22. Reconveyance. Trustee to reconvey the Property secured by this Security Instrument to the person or persons

storage on the Property or small quantities of Hazardous Substances that are not normal incident to use and to maintenance of the Property.

Lender written notice of any investigation, claim, demand, lawsuit or other compulsory action by a private party involving the Property and any Hazardous Substance of which Borrower has actual knowledge. If Borrower learns, or is notified by authority, that any removal or other remediation of any Hazardous Substance

Borrower shall promptly take all necessary remedial actions in accordance

with paragraph 20. "Hazardous Substances" are those substances defined as toxic or flammable pesticides and herbicides, volatile solvents, materials containing asbestos or creosote. As used in this paragraph 20, "Environmental Law" means federal laws the Property is located that relate to health, safety or environmental protection.

23. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following or agreement in this Security Instrument (but not prior to acceleration under provides otherwise). The notice shall specify: (a) the default; (b) the action date, not less than 30 days from the date the notice is given to Borrower, by and (d) that failure to cure the default on or before the date specified in the of the sums secured by this Security Instrument and sale of the Property. The of the right to reinstate after acceleration and the right to bring a court action for any other defense of Borrower to acceleration and sale. If the default is specified in the notice, Lender at its option may require immediate payment in full of the instrument without further demand and may invoke the power of sale and any applicable law. Lender shall be entitled to collect all expenses incurred in pursuing 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 fault and of Lender's election to cause the Property to be sold. Trustee shall in each county in which any part of the Property is located. Lender or Trustee prescribed by applicable law to Borrower and to the other persons prescribed by a public notice of sale to the persons in the manner prescribed by applicable law. Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at public announcement in the time and place of any previously scheduled sale. Lender or its designee may

the purchase of Trustee's deed conveying the Property without any covenant or warranty. The record of the Trustee's deed shall be prima facie evidence of the truth of the facts shall apply the proceeds of the sale in the following order: (a) to all but not limited to, reasonable Trustee's and attorney's fees; (b) to all sums due; and (c) any excess to the person or persons legally entitled to it.

on payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey this Security Instrument and all notes evidencing debt to Trustee. Trustee shall reconvey the Property without warranty and without legally entitled to it. Such person or persons shall pay any reasonable costs.

ORIGIN - Single Family Partnership

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STATEMENT OF SECURITY INSTRUMENT

Page 1 of 1
Sorrells, Daniel

Form 3038 9/90

23. Substitute Trustee. Lender may from time to time remove trustee and appoint a successor trustee. 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 to any attorney's fees awarded by an appellate 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 such rider shall be incorporated into oaths and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (Check applicable box(es))

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Escalator Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Construction/Permanent Rider | <input checked="" type="checkbox"/> Other(s) [specify] PRIME PAYMENT PENALTY RIDER | |

"UNDER OREGON LAW, MORTGAGES MADE AFTER OCTOBER 3, 1989 WHICH ARE NOT FOR PERSONAL, FAMILY OR BUSINESS PURPOSES OR SECURED SOLELY BY REAL PROPERTY MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNATURED BY US TO BE ENFORCEABLE."

OREGON-Single Family-Bureau Max	middle max	CRM	STRIKETHROUGH	Notes 3838 9/93
001001 (cc - 10/09/98 10:31 AM) 2F - 01 (1/90 1:36 PM)	1st power in clause 7/1/98 8:00	LJ	12/22/80	

BY SIGNING BELOW Borrower
Instrument and in any instrument(s) executed by Borrower and recorded with it
Witnesses:

(SEAL)

CLAUD B. RODGERS

(SEAL)

BARBARA J. RODGERS

(SEAL)

(SEAL)

(Space

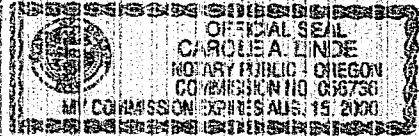
for This Line Reserved for Acknowledgment)

State of Oregon, Clatskanie

County is:

On 1-14-99
CLAUD B. RODGERS
BARBARA J. RODGERS

Personally appeared this above named



Instrument to be

David A. Linde

Notary Public for Oregon

8/15/00

My commission expires:

(Official seal)

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of
with all other indebtedness secured
canceled note or notes and this
all the estate now held by you in

the note or notes secured by this Deed of Trust. Said note or notes, together
with the Deed of Trust, have been paid in full. You are hereby directed to
cancel the Deed of Trust, which we deliver to you, and to reconvey, without warranty,
to this Deed of Trust, the person or persons legally entitled thereto.

Date:

OREGON - Single Family - Deed - Stat
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real estate UNI OR14 INSTRUMENT

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Serial 3018 9/90

Loc. Number: 1308120143

Date:

Property Address: 23803 MALONE ROAD
MERRILL, OR 97533

EXHIBIT A¹
LEGAL DESCRIPTION

A tract of land situated in Sections 8 and 17, Township 41 South, Range 11 E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point from which the Southwest corner of said Section 8 bears S. $72^{\circ}35'46''$ W. 1611.24 feet; thence S. $17^{\circ}38'16''$ W. 166.78 feet; thence S. $15^{\circ}56'41''$ W. 368.16 feet; thence S. $68^{\circ}14'11''$ W. 64.62 feet; thence N. $07^{\circ}22'56''$ W. 20.00 feet; thence N. $88^{\circ}23'22''$ W. 140 feet, more or less, to the mean high water line of Lost River; thence Northerly, along said mean high water line, 500 feet, more or less, to a point that bears S. $87^{\circ}56'26''$ W. from the point of beginning; thence N. $87^{\circ}56'26''$ W. 304 feet, more or less, to the point of beginning, with bearings based on a solar observation.

1933

PREPAYMENT ADDENDUM TO NOTE AND RIDER TO DEED OF TRUST

Loan No. 1708120143

THIS PREPAYMENT ADDENDUM TO NOTE AND RIDER TO DEED OF TRUST is made on , and is incorporated into and shall be deemed to amend and supplement the Note made by the undersigned (the "Borrower") in favor of POLARIS MORTGAGE ASSOCIATES, a Division of Provident Funding Associates, L.P., a California Limited Partnership (the "Lender" and is dated as of the date hereinafter (the "Note").

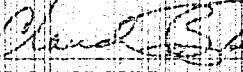
ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Note, Borrower and Lender further covenant and agree as follows:

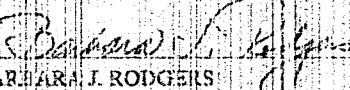
1. PREPAYMENT PENALTY.

If within 3 years from the date of execution of the Security Instrument I make a full prepayment and in certain cases a partial prepayment, I will at the same time pay to the Note Holder a prepayment charge. The prepayment charge will be equal to six (6) months advance interest on the amount of any prepayment that, when added to all other amounts prepaid during the twelve (12) month period immediately preceding the date of the prepayment, exceeds twenty percent (20%) of the original principal amount of the Note.

If a law, which applies to this loan and which sets a maximum prepayment charge or prohibits prepayment charges, is finally interpreted so that the prepayment charge to be collected in connection with this loan exceeds the permitted limits, then (i) any such prepayment charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, or (ii) if the prepayment charge is prohibited, no prepayment charge will be assessed or collected.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in the Prepayment Rider.


CLAUDE E. RODGERS


BARBARA J. RODGERS

Initials _____

Printed Name _____

10/08/19 10:02 AM

1924

ADJUSTABLE RATE RIDER (LIBOR Index Rate Caps)

Loan No. 1708120143

THIS ADJUSTABLE RATE RIDER is made 1/8/1999, and is incorporated into and shall be deemed to amend and supplement the date given by the undersigned POLARIS MORTGAGE ASSOCIATES, A CALIFORNIA LIMITED PARTNERSHIP (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to CLATES, A DIVISION OF PROVIDENT FUNDING ASSOCIATES, L.P., A CALIFORNIA LIMITED PARTNERSHIP (the "Lender") on the same date and covering the property described in the Security Instrument and located at:

2330 MALONE ROAD, MERRILL, OREGON 97633
[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT HE 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. ADJUSTABLE RATE AN-

The Note provides for increases in the interest rate and the monthly payments, as follows:

B. ADJUSTABLE INTEREST

(A) **Change Dates**
The adjustable interest rate date on which my interest rate will change:

RATE AND MONTHLY PAYMENT CHANGES

I will pay monthly changes on 2/1/2003 and every sixth month thereafter. Each change is called a "Change Date".

(B) The Index

MULTI-STATE ADJUSTABLE RATE INDEX	LIBOR INDEX	Page	Page	Page	Page
01/01/01: 8.65% (11:40 AM) EF-017-201401M		of 3			

Beginning with the first Change Date, my average of interbank offered rates ("LIBOR") as published in The Wall Street Journal on the business day of the month immediately preceding the

Change Date will be based on an Index. The "Index" is the six-month U.S. dollar-denominated deposits in the London market.

The most recent Index figure available as of the first business day in which the Change Date occurs is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding SIX AND 250/1000 (6.250%) percentage points to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of a 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.

The Note Holder will then repay the unpaid principal that I am due at my new interest rate in substantially equal payments.

(D) Limits on Interest Rate

The interest rate I can require will not be greater than 11.500% or less than 8.500%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than ONE AND 500/1000 percentage points (1.500%) from the rate of interest I have been paying for the preceding six months. My interest rate will never be greater than 14.500% or less than 3.500%.

(E) Effective Date of Changes

My new interest rate will come effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after this Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver notice of my changes in my adjustable interest rate and the amount of my monthly payment before it becomes effective, by mail to me or fax to me, or by telephone, and so the title and telephone number of a person who will answer any question I may have regarding the notice.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is intended to read as follows:

Transfer of the Property or interest in it is sold or transferred (or 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 if exercise is prohibited by federal law. Option is: (a) Borrower ceases to be a transfer; and (b) Lender reasonably determines that Lender's security will not be impaired by the transfer.

Beneficial interest in Borrower. If all or any part of the Property or any beneficial interest in Borrower is sold or transferred and Borrower is not so sold or transferred, 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 (a) Lender has received written notice of the transfer; and (b) Lender reasonably determines that Lender's security will not be impaired by the transfer; and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

MULTI RATE ADJUSTABLE RATE	BR. 1 INDEX	INDEX S. AND D.	AVAILABILITY	UNLAWFUL DISCHARGE	FORM 3, 92-7/92
0110-00-0003971196 AM PT-01113-16073	Aug 1	3			

1925

To the extent permitted by
consent to the loan assumption,
acceptable to Lender and that of
and in this Security Instrument. I

pplicable law, Lender may charge reasonable fee as a condition to Lender's
lender may also require the transferee to sign an assumption agreement that is
gates the transferred to keep all the promises and agreements made in the Note
Borrower will continue to be obligated under the Note and this Security Instrument
unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of
acceleration. The notice shall provide a period of no less than 30 days from the date the notice is delivered or
mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable
Rate Rider.

CLAUD B. HODGREN

(Seal)
Borrower

BARBARA J. RODGE

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

MULTI-STATE ADJUSTABLE RATE RIDER, LIBOR INDEX - Single Family Freddie Mac Uniform Instrument Form 3-1927-92

0110.51 - 0843372 11:40 AM
on 01/10/1992 BY

STATE OF OREGON, COUNTY OF CLACKAMAS

Filled for record if request of

of January A.D. 19 of 1992

First American Title

the 20th day

FEE \$5.00

Page 3 of 3

M. and duly recorded in Vol. 1992

Page 1911 by Linda Smith, County Clerk