

1230
Legal charge is a business and tax statement and
is to be followed by address.

WITH RECORDED MAIL TO: KLAMATH,
540 MAIN
STREET
KLAMATH,
OREGON 97601

ACCOUNT NUMBER: 091-04-111

HAS ACCOUNT NUMBER: 373503

THIS DEED OF TRUST ("Security Instru-
ment") is made on JANUARY 20, 1999
HUSBAND AND WIFE:

("Borrower"). The trustee is WILLIAM

("Trustee"). The beneficiary is KLAMATH,
which is organized and existing under the law
address is: 540 MAIN STREET, KLAMATH,
FIFTY TWO THOUSAND FOUR HUNDRED

This debt is evidenced by Borrower's no-
monthly payments, with the full debt, if so re-
quired by Lender. This Security Instrument secures to Lender:
(a) extensions and modifications of the Note; (b)
the security of this Security Instrument and
Instrument and the Note; and (c) to repay
pursuant to the paragraph below ("Future Advi-

FUTURE ADVANCES. Upon request of
Trustee to Borrower, may make Future Advances
to Borrower. Such Future Advances, with interest thereon, shall be secured by
this Deed of Trust, which evidenced by promissory notes, shall notes be secured hereby. For this purpose, Borrower
irrevocably grants and conveys to Trustee, in

KLAMATH County,

LOT 7 IN BLOCK 41 OF HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS
ACCORDING TO THE OFFICIAL PLAT THEREON ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of 1954 AUBURN ST
97601

TOGETHER WITH all the improvements
fixtures now or hereafter a part of the property.
All of the foregoing is referred to in this Security

BORROWER COVENANTS that Borrower
convey the Property and that the Property is
generally the title to the Property against all claimants

THIS SECURITY INSTRUMENT contains
variations by jurisdiction to constitute a uniform

UNIFORM COVENANTS. Borrower and

1. Payment of Principal and Interest
principal of and interest on the debt eviden-

2. Funds for Taxes and Insurance. If

on the day monthly payments are due under
yearly taxes and assessments which may attain
payments or ground rents on the Property; if
premiums, if any; (d) yearly mortgage insurance
with the provisions of paragraph 8, in case of the
Lender may, at any time, collect and hold from

TRST. FEDERAL SAVINGS & LOAN ASSOCIATION

540 MAIN STREET

KLAMATH, OREGON 97601

WITNESS:

MICHAEL J. MCNAUL

CLERK OF THE COURT

KLAMATH COUNTY, OREGON

JANUARY 20, 1999

The grantor is

WILLIAM L. SISNICK

540 MAIN STREET

KLAMATH, OREGON 97601

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

540 MAIN STREET

KLAMATH, OREGON 97601

THE UNITED STATES OF AMERICA

7601

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

AND NO/00

Dollars (U.S. \$ 52,400.00).

Dated the same date as this Security Instrument ("Note"), which provides for

earlier, due and payable on FEBRUARY 1, 2029

the repayment of the debt evidenced by the Note, with interest, and all renewals,

the payment of all other sums, with interest, advanced under paragraph 7 to protect

(c) the performance of Borrower's covenants and agreements under this Security

Instrument and the Note; and (d) to repay

any sums advanced, with interest thereon, made to Borrower by Lender

pursuant to the paragraph below ("Future Advances").

Borrower, Lender, at Lender's option prior to full reconveyance of the property by
Trustee to Borrower. Such Future Advances, with interest thereon, shall be secured by
two notes stating that said notes are secured hereby. For this purpose, Borrower
trust, with power of sale, the following described property, located in

KLAMATH COUNTY, OREGON.

LOG 7 IN BLOCK 41 OF HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS

ACCORDING TO THE OFFICIAL PLAT THEREON ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

SON.

KLAMATH FALLS

[Street, City],

ZIP CODE: [Property Address];

now or hereafter erected on the property, and all easements, appurtenances, and

all replacements and additions shall also be covered by this Security Instrument.

Instrument as the "Property."

Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and

numbered, except for encumbrance of record. Borrower warrants and will defend

and demands, subject to any encumbrances of record.

uniform covenants for national use and non-uniform covenants with limited

security instrument covering real property.

Lender covenants and agrees as follows:

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.

to applicable law or to a written waiver by Lender, Borrower shall pay to Lender

Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a)

the principal over this Security Instrument as a lien on the Property; (b) yearly leasehold

rents; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance

premiums; (e) any sum payable by Borrower to Lender, in accordance

with the terms of the Note; and (f) any sum payable by Borrower to Lender for a federally related

DIRECTION-Single Family

1-525-02 (9810)

Page 1 of 1

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BCD 127-04-3

Form 3036 9/90

Initials: JMC

-81-

mortgage loan may require the Board of intended from time to time, 12 U.S.C. amount. If the Lender may, at any time collect and current date in accordance with applicable law.

The Funds shall be held in an account by Lender, if Lender is such an institution. Lender may not charge Borrower for Escrow Items, unless Lender pays Borrower interest. However, Lender may require Borrower in connection with this loan, to pay a fee less applicable, requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender may agree in writing, however, annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the excess Funds in accordance with the amount sufficient to pay the Escrow Items to Lender the amount necessary to make payments, at Lender's sole discretion.

Upon payment in full of all sums held by Lender, if, under paragraph 2, Lender shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to any prepayment charges due under the Note, second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly to Lender, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation created by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the 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 maintained in the amounts and for the periods that Lender requires. This insurance carrier providing the insurance shall be chosen by Borrower 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 hold the policies and premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made properly by Borrower.

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 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 settle a claim, 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 Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which cannot shall not be unreasonably withheld, or unless extenuating circumstances exist which beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste of the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, begins that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with the information or statements to Lender required by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence). If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights. In the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a general proceeding that may significantly affect Lender's rights in the Property (such as a bankruptcy, probate, or whatever is necessary to protect the paying agent sums secured by a lien on the Property, entering on the Property, attorney's fees and costs to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

June 10, 1985
Real Estate Settlement Procedures Act of 1974 as
amended ("RESPA"), and/or another law that applies to the Funds sets a lesser
Fund in an amount not to exceed the lesser amount. Lender may estimate
reasonable estimate of expenditures of future Escrow Items or otherwise

are insured by a federal agency, instrumentality or entity (including the Federal Home Loan Bank). Lender shall apply the Funds to pay the Escrow Items, including and analyzing the escrow account, or verifying the Funds and applicable law permits Lender to make such a charge for an independent real estate reporting service used by law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amount permitted to be held by applicable law, Lender shall account to Borrower for requirements of applicable law. If the amount of the Funds held by Lender at any time is less than the amount due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly

payments, at Lender's sole discretion. Excluded by this Security Instrument. Lender shall promptly refund to Borrower any Funds held by Lender at the time of acquisition or sale of the Property. Lender, prior to the acquisition or sale of the Property, shall acquire or sell the Property. Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

8. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to any prepayment charges due under the Note, second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

9. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly to Lender, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation created by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the 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.

10. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. This insurance carrier providing the insurance shall be chosen by Borrower 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 hold the policies and premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made properly by Borrower.

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 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 settle a claim, 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 Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

11. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which cannot shall not be unreasonably withheld, or unless extenuating circumstances exist which beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste of the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, begins that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with the information or statements to Lender required by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence). If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

12. 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 general proceeding that may significantly affect Lender's rights in the Property (such as a bankruptcy, probate, or whatever is necessary to protect the paying agent sums secured by a lien on the Property, entering on the Property, attorney's fees and costs to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts discounted by Lender unless Borrower and Lender agree otherwise, will be payable when due from Lender to Borrower requesting payment.

7a. **Lender's Insurance Coverage.** War and hazard insurance coverage required by our contract holder's interests. This insurance shall cover the Lender purchased may be canceled by providing notice to the Lender.

The Borrower is responsible for contract or loan balance. If the cost is apply to this added amount. Effectively Borrower failed to provide proof of coverage.

The coverage Lender purchases is own and may not satisfy the need for applicable law.

8. Mortgage Insurance. If Lender instrument, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to Borrower of the mortgage insurance premium equivalent mortgage insurance coverage the yearly mortgage insurance premium Lender will accept; use and retain there no longer be required, at the option of requires) provided by an insurer approved to maintain mortgage insurance accordance with any written agreement.

9. Inspection. Lender or its agent Borrower notice at the time of or prior to inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds condemnation or other taking of any part be paid to Lender.

In the event of a total taking of the whether or not then due, with any excess value of the Property immediately before instrument immediately before the taking Security Instrument shall be reduced by the sums secured immediately before the taking. Any balance shall be paid to Borrower. Property immediately before the taking is and Lender otherwise agree in writing or secured by this Security instrument whether or not the sum are then due.

If the Property is abandoned by Borrower or settle a claim for damages, Borrower authorized to collect and apply the proceeds this Security instrument, whether or not he

Unless Lender and Borrower otherwise the due date of the monthly payments before

11. Borrower Not Released; Forbearance. Authorization of the sums secured by this Security instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exerc

12. Successors and Assigns; Bound- Security instrument shall bind and benefit paragraph 17. Borrower's covenants and instrument but does not execute the Note; Borrower's interest in the Property under the secured by this Security instrument; and (c) make any accommodations with regard to the

13. Loan Charges. If the loan secured that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such permitted limit; and (b) any sums already collected by Lender may choose to make this refund by refunding the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower by first class mail unless applicable law requires other address Borrower designates by notice stated herein or any other address Lender deems shall be deemed to have been given to Borrower.

15. Governing Law; Severability. The jurisdiction in which the Property is located, conflicts with applicable law, such conflict shall give effect without the conflicting provision, be severable.

16. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security instrument.

17. Transfer of the Property or a Lender's sold or transferred (or if a beneficial interest Lender's prior written consent, Lender may, at instrument. However, this option shall not be

enter this paragraph unless Borrower provides the Lender with evidence of insurance coverage at Borrower's expense to protect the collateral interest. If the collateral becomes damaged, the Borrower makes or any claim made against the Borrower. Borrower may evidence that Borrower has obtained property coverage elsewhere.

of any insurance purchased by Lender. The cost of this insurance may be added to your ideal to the contract or loan balance. The interest rate on the underlying contract or loan will be the date the Borrower's prior coverage lapsed or the date the date of coverage may be considerably more expensive than insurance the Borrower can obtain on Borrower's property damage coverage or other mandatory liability insurance requirements imposed by applicable law.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the cost previously in effect, from an alternate mortgage insurer approved by Lender. If substantially not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Premiums are a loss reserve in lieu of mortgage insurance. Loss reserve payments may be required, if mortgage insurance coverage (in the amount and for the period that Lender by Lender again becomes available and is obtained. Borrower shall pay the premiums effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give a inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any

of the Property, or for conveyance in lieu 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, and to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security instrument, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the fair market value of the Property immediately before the taking, divided 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 Property is less than the amount of the sums secured immediately before the taking, unless Borrower unless applicable law otherwise provides, the proceeds shall be applied to the sums

unless the sum are then due. If, after notice by Lender to Borrower that the condemnor offers to make an offer to respond to Lender within 30 days after the date the notice is given, Lender is at its option, either to restoration or repair of the Property or to the sums secured by due.

If the Property is abandoned by Borrower or settle a claim for damages, Borrower authorized to collect and apply the proceeds this Security instrument, whether or not he

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone to in paragraphs 1 and 2 or charge the amount of such payments.

11. Borrower Not Released; Forbearance. Extension of the time for payment or modification of note by Lender Net Waiver. Extension of the time for payment or modification of note by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to refuse to extend time for payment or otherwise modify amortization of the note by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exerc

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 this Security instrument. Any Borrower who co-signs this Security instrument shall be joint and several. Any Borrower who co-signs this Security instrument only to mortgage, grant and convey that (a) is co-signing this Security instrument only to mortgage, grant and convey that terms of this Security instrument; (b) is not personally obligated to pay the sums agreed that Lender and any other Borrower may agree to extend, modify, forbear or

gross that Lender and any other Borrower may agree to extend, modify, forbear or due to in this Security instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security instrument is subject to a law which sets maximum loan charges, and

loan charge shall be reduced by the amount necessary to reduce the charge to the extent from Borrower which exceeded permitted limits will be refunded to Borrower.

the principal owed under the Note or by making a direct payment to Borrower. This shall be treated as a partial prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Lender shall be given by delivering it or by mailing it to Lender. Any notice to Lender shall be given by first class mail to Lender's address

by notice to Borrower. Any notice provided for in this Security instrument or Lender when given as provided in this paragraph.

15. Governing Law; Severability. The instrument shall be governed by federal law and the law of the state of another method. The notice shall be directed to the Property Address or any Lender. Any notice to Lender shall be given by first class mail to Lender's address

by notice to Borrower. Any notice provided for in this Security instrument or Lender when given as provided in this paragraph.

16. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security instrument.

17. Transfer of the Property or a Lender's sold or transferred (or if a beneficial interest Lender's prior written consent, Lender may, at instrument. However, this option shall not be

BY SIGNING BELOW, Borrower
any signer(s) executing by Borrower and
Witnesses:

acknowledges that he has read and
understands the terms and conditions contained in this Security Instrument and waives

J. L. Leggett
JAN 22 1990
Notary Public for Oregon
(Seal)
-Borrower

Susan Host
JAN 22 1990
(Seal)
-Borrower

(Seal)
-Borrower

STATE OF OREGON,

On this day of

September 1990, and personally appeared the above named

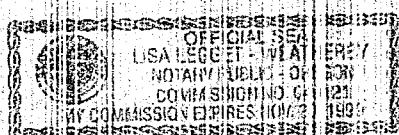
My Commission Expires: 11-20-99
(Official Seal)

and acknowledged

and acknowledged

Before me,

D. L. Leggett
Notary Public for Oregon



1-4 FAMILY RIDER

As of January 1, 1995

THIS 1-4 FAMILY RIDER is made to incorporate into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to

AMERICAN FIFTH FEDERAL SAVINGS AND LOAN ASSOCIATION

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

1954 A BURN ST
KLAMATH FALLS, OREGON 97601

(Property Address)

1-4 FAMILY COVENANT. Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, heating and air conditioning and exhaust ducting apparatus, security and access control apparatus, plumbing, bathtubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, coverings now or hereafter attached to the Property, all of which, including together with the Property described in the Security Instrument (or the leasehold interest if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY. Borrower shall not seek, agree to, or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIEN. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenants.

E. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

OREGON 1-4 FAMILY RIDER

OR 57 (OR) (1991)

Family Rider addendum to Security Instrument
Form 1-4
15 FORMS (1990-21-7-95)

Initials:

Form 3170.30 9/91
Amended 3/94

1990

F. ASSIGNMENT OF PROPERTY and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

G. ASSIGNMENT OF BORROWER'S ABSOLUTE AND UNCONDITIONAL ASSIGNMENT AND TRANSFERS TO LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agents. However, Borrower shall pay the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's assignee. This assignment of Rents constitutes an absolute assignment and not an option.

If Lender gives notice of trustee for the benefit of Lender to collect and receive the Rents of the Property, Borrower shall be entitled to collect and receive the Rents of the Property shall pay all Rents directly to Lender; (iv) unless applicable, it applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agent, actually received; and (vi) manage the Property and collect the Rents of the Property as set forth in the Security Instrument.

The Rents of the Property and of collecting the Rents shall be secured by Lender to Lender.

Borrower represents and warrants that it will not perform any act

Lender, or Lender's agents of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents, may do so at any time when a default occurs. Any application of Rents of the Property shall terminate when the same secured by the Security Instrument are paid in full.

H. CROSS-DEALINGS In which Lender has an interest in the remedies permitted by the Security Instrument.

I. SIGNING BELOW, I, so

Rider,

[Signature]
REF ID: H-102

1. **Assignment of Leases.** Borrower shall assign to Lender all leases of the Property in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

RENTS; ASSIGNMENT OF RECEIVER; LENDER IN POSSESSION. Additionally assignments and transfers to Lender all the rents and revenues ("Rents") of the Property are payable. Borrower authorizes Lender or Lender's agents that each tenant of the Property shall pay the Rents to Lender or Lender's agents to receive the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's assignee. This assignment of Rents constitutes an absolute assignment and not an option.

If Lender gives notice of trustee for the benefit of Lender to collect and receive the Rents of the Property, Borrower shall be entitled to collect and receive the Rents of the Property shall pay all the Rents directly to Lender; (iv) unless applicable, it applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agent, actually received; and (vi) manage the Property and collect the Rents of the Property as set forth in the Security Instrument.

The Rents of the Property and of collecting the Rents shall be secured by Lender to Lender.

Borrower represents and warrants that it will not perform any act Lender, or Lender's agents of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents, may do so at any time when a default occurs. Any application of Rents of the Property shall terminate when the same secured by the Security Instrument are paid in full.

VII. BREACH If Borrower's default of a breach under any note or agreement in the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.

Seal	Seal	Seal	(Seal)
Borrower	Lender	Borrower	Borrower

Seal	Seal	Seal	(Seal)
Borrower	Borrower	Borrower	Borrower

Seal	Seal	Seal	(Seal)
Borrower	Borrower	Borrower	Borrower

STATE OF COLORADO : COUNTY OF PLATEAU

Filed for record at request of _____
on January 1st, 1990
at _____ M.M.:

Fee \$40.00

>Title	the	20th
at 3:34	clock	day
hrs	on	of
	1990	

Ref ID: H-102

Linda Smith County Clerk