

With a copy of all the statements relating to the following address:

WHEN RECORDED MAIL TO: KLANATH
12300 MADISON
KLANATH FALLS, OR 97533

ACCOUNT NUMBER: 060-04-0651

TAX ACCOUNT NUMBER: 5944311
K-53425

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on JANUARY 15, 1999, by JEFFREY A. CORNELL AND REBECCA L. CORNELL, HUSBAND AND WIFE ("Borrower"). The trustee is:

WILLIAM L. SIEGMORE ("Trustee"). The beneficiary is KIAM which is organized and existing under the laws of THE UNITED STATES OF AMERICA, address is MADISON BRANCH, 230 ONE HUNDRED EIGHTY FOUR THOU-

This debt is evidenced by Borrower's monthly payments, with the full debt, if not paid earlier, due and payable on FEBRUARY 1, 2014. This Security Instrument secures to Lender extensions and modifications of the Note, the security of this Security Instrument, instrument and the Note; and (c) 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 of Trustee to Borrower, may make Future Advances to Borrower, in trust, with power of sale, the following described property located in:

KLANATH, OREGON;

LOT 8, BLOCK 3, SECOND ADDITION TO PINE GROVE RODEO ROSA, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLANATH COUNTY, OREGON.

which has the address of 3532 SEVENTEEN Oregon 97533.

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

BORROWER COVENANTS that convey the Property and that the Property generally the title to the Property against

THIS SECURITY INSTRUMENT in accordance with the provisions by jurisdiction in convertible form.

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

1. Payment of Principal and Interest. Payment of Principal and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender for its Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) annual priority over this Security Instrument as a lien on the Property; (b) yearly leasehold premiums, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; and (f) amounts payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in the event of the payment of insurance premiums. These items are called "Escrow Items." Funds in an amount not to exceed the maximum amount a lender for a federally related

OREGON-Single Family

File #12850019310

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ELECTION CLOSER STATEMENTS NO. (800) 327-0545

amounts required by Borrower to be paid by Lender from time to time, 12 U.S.C. § 1601 et seq., if so required by law, or the amount of Funds due on the basis of the amount of Funds held by Lender in accordance with applicable law.

The Funds shall be held in an account by Lender, if Lender is such an institution or organization as Lender may not charge Borrower for holding the Escrow Items, unless Lender pays them. However, Lender may require Borrower to pay Lender in connection with this loan, and requires interest to be paid, Lender shall Lender may agree in writing, however, the annual accounting of the Funds, showing made. The Funds are pledged as additional security.

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

Upon payment in full of all sums held by Lender, If, under paragraph 21, Lender 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.

3. Application of Payments. Unless and 2 shall be applied: first, to any prepayment of interest due; fourth, to principal due; and

4. Charges; Liens. Borrower shall which may attain priority over this Security Instrument in the manner provided in part person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly,

Borrower shall promptly discharge all liens which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien in a manner satisfactory to Lender subordinating the lien to this Security Instrument; or (c) secures from the holder of the Property it is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower 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 including flooding, for which Lender requires insurance. The insurance carrier providing the 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 have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid 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 promptly.

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 and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds in 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 extenuating circumstances exist which are to allow the Property to deteriorate, or proceeding, whether civil or criminal, is begun otherwise materially impair the lien created 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 the lien created by this Security Instrument if Borrower, during the application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with 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.

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 legal proceeding in bankruptcy, probate, or divorce for whatever is necessary to protect the value of any sums secured by a lien which attorney's fees and costs relating on the Property to

the federal Real Estate Settlement Procedures Act of 1974 as ESCPA, unless another law that applies to the funds sets a lesser amount not to exceed the lesser amount. Lender may estimate reasonable estimates of expenditures of future Escrow Items or otherwise treat date and reason.

on whose deposit account maintained by a general agency, instrumentality, or entity (including any Federal Home Loan Bank), Lender shall apply the Funds to pay the Escrow Items, being and applying the Funds, unless by analyzing the escrow account, or verifying the interest on the Funds and applicable law permits Lender to make such a charge, to pay a one-time charge for an independent real estate tax reporting service used by Lender, if no other charge is otherwise permitted by applicable law, provides otherwise. Unless an agreement is made or applicable law or be required to pay Borrower any interest or earnings on the Funds, Borrower and interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an credits and debits to the Funds and the purpose for which each debit to the Funds was security for all sums secured by this Security Instrument.

amounts 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 due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay the deficiency. Borrower shall make up the deficiency in no more than twelve monthly

periods by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by this Security Instrument. Lender 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 amounts payable under paragraph 1; second, to amounts payable under paragraph 2; third, 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 Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

10. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards including flooding, for which Lender requires insurance. The insurance shall be maintained in the amounts and for the periods that Lender 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 renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid 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 promptly.

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 and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then 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 in 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 consent shall not be unreasonably withheld, or unless Borrower's control, Borrower shall not destroy, damage or impair the Property, waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or 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 the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with 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.

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 legal proceeding in bankruptcy, probate, or divorce for whatever is necessary to protect the value of any sums secured by a lien which attorney's fees and costs relating on the Property to

Any amount disbursed by Lender under this paragraph, unless Borrower and Lender agree otherwise at the Note rate and shall be paid.

14. Hazard Insurance Warning. Coverage as required by our contract of loan Lender's interest. This insurance may, but not coverage the Lender purchased may not pay later claim if this coverage by providing evidence.

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

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

8. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security instrument; Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the coverage previously in effect, at a cost substantially equivalent to the cost of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect.

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

10. Condemnation. The proceeds of any condemnation or other taking of any part 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, whether or not then due, with any excess paid 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 immediately before the taking, 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 sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid 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 less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless otherwise provided, the proceeds shall be applied to the sums secured by this Security instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award on sale a claim for damages, Borrower is authorized to collect and apply the proceeds, at this Security instrument, whether or not then due.

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 paragraph 5 and 20 or change the amount of such payments.

11. Borrower Not Released; Forbearance. Amortization of the sums secured by this Security instrument, to release the liability of the original Borrower from proceedings against any successor in the sums secured by this Security instrument by interest. Any forbearance by Lender in exercising

12. Successors and Assigns Bound. This Security instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements of this Security instrument but does not execute the Note: (a) Borrower's interest in the Property under the terms of this Security instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security instrument or the Note without 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 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 loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing 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 provided for in this Security instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires otherwise. Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security instrument shall be deemed to have been given to Borrower by Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In conflict with applicable law, such conflict shall give effect without the conflicting provision. To 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 Beneficial Interest. If all or any part of the Property or any interest in it is transferred (c) if a beneficial interest in Lender's prior written consent, Lender may, at any time, exercise this option. However, this option shall not be exercised by Lender if

the additional debt of Borrower secured by this Security instrument, these amounts shall bear interest from the date of payment, upon notice from Lender to Borrower requesting payment. Lender (the "Lender") will evidence of insurance coverage or a certificate of insurance at Borrower's expense to protect the Lender's interest. If the collateral becomes damaged, the Borrower may make any claim for any claim made against the Borrower. Borrower may have obtained property coverage elsewhere.

the cost of this insurance may be added to your 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 coverage may

be considerably more expensive than insurance the Borrower can obtain on Borrower's damage coverage or other mandatory liability insurance requirements imposed by applicable law.

18. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security instrument; Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance ceases to be in effect, Borrower shall pay the premiums required to obtain coverage previously in effect, at a cost substantially equivalent to the cost of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. From an alternate mortgage insurer approved by Lender. If substantially available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the cost of the yearly mortgage insurance coverage (i) the amount and for the period that Lender again becomes available and is obtained. Borrower shall pay the premiums required to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

19. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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

condemnation or other taking of any part of the property, or for conveyance in 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, whether or not then due, with any excess paid 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 immediately before the taking, 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 sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid 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 less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless otherwise provided, the proceeds shall be applied to the sums secured by this Security instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award on sale a claim for damages, Borrower is authorized to collect and apply the proceeds, at this Security instrument, whether or not then due.

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 paragraph 5 and 20 or change the amount of such payments.

21. Borrower Not Released; Forbearance. Extension of the time for payment or modification of instrument granted by Lender to any successor in interest of Borrower shall not operate on Borrower's successors in interest. Lender shall not be required to interest or refuse to extend time for payment or otherwise modify amortization of extension of any demand made by the original Borrower or Borrower's successors in any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

22. Successors and Assigns Bound. The covenants and agreements of this Security instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower who co-signs this Security instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security instrument; (b) is not personally obligated to pay the sums secured by this Security instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security instrument or the Note without Borrower's consent.

23. Loan Charges. If the loan secured by this Security instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing 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.

24. Notices. Any notice to Borrower provided for in this Security instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires otherwise. Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security instrument shall be deemed to have been given to Borrower by Lender when given as provided in this paragraph.

25. Governing Law; Severability. This Security instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security instrument or the Note or affect other provisions of this Security instrument or the Note which can be given effect without the conflicting provision, the provision of this Security instrument and the Note are declared to be severable.

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

27. Transfer of the Property or a Beneficial Interest. If all or any part of the Property or any interest in it is transferred (c) if a beneficial interest in Lender's prior written consent, Lender may, at any time, exercise this option. However, this option shall not be exercised by Lender if

If Lender exercises the option to claim 30 days from the date the notice is delivered to Borrower prior to the date of sale, the notice of acceleration shall be given to Borrower by notice or demand on certain conditions. The notice shall provide a period of not less than 5 days within which Borrower must pay all sums secured by this Security Instrument without further notice or demand.

18. Borrower's Right to Resist. If this Security Instrument discontinues or specifies for reinstatement before sale, entry of judgment enforcing this Security Instrument would be due under this Security Instrument, covenants, agreements, (a) pays all reasonable attorneys' fees; and (b) if no acceleration has occurred, (i) cures any default of any other expenses incurred in enforcing this Security Instrument, including, but not limited to, such action as Lender may reasonably require to assure that the lien of this Security Instrument and Borrower's obligation to pay the sums secured by this Security Instrument shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration 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 without prior 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, nor allow anyone else to 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 involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other 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: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. 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.

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to a 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 require immediate payment in full of 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.

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 record it in each county in which any part of the Property is located. Lender or Trustee shall cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the 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 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 shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the 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 attorney's fees; (b) to a person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument and surrender of this Security Instrument and Trustee shall reconvey the Property without warranty to the person or persons entitled to it. Such person or persons shall pay any recording costs.

23. Substitute Trustee. Lender may appoint a substitute trustee to any Trustee whose services are terminated or removed. The substitute trustee shall succeed to all the title, power and duties of the Trustee.

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

25. Rider(s) 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, if such rider(s) were a part of his Security instrument [Check applicable box(es)]

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

- condominium Rider
- Planned Unit Development Rider
- Ratified Agreement Rider
- Other (Specify)

- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

"UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY US AFTER THE EFFECTIVE DATE OF THIS AGREEMENT CONCERNING LIENS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES ON SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING FOR THIS CONSIDERATION AND BE SIGNED."

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

2061

CEPPISSA CORKILL

REBECCA CORKILL

(Seal)
-Borrower

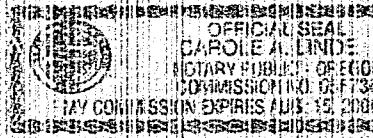
(Seal)
-Borrower

(Seal)
-Borrower

STATE OF OREGON,
On this 15th day of

JANUARY 1999
the foregoing instrument to be
signed.

My Commission Expires: 8/1/2001
(Official Seal)



KATHLEEN M. COOK

CITY OF PORTLAND

STATE OF OREGON

1999

voluntary act and deed

County:

personally appeared the above named
KATHLEEN M. COOK and acknowledged

Before me:

NOTARY PUBLIC FOR OREGON

STATE OF OREGON : COUNTY OF CLACKAMAS

Filed for record at no. rec'd of

January A.D. 1999

at _____ M.

\$30.00

EST. AMERICAN TITLE

11:00 o'clock A.M. and duly recorded in Vol. N99

on Pg. 2016

by _____

the 21st day

of _____

land, Smith, County Clerk;

RECORDED

RECORDED