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RECORDED IN LTO Klamath Falls Federal Savings & Loan Association

540 Main Street

Klamath Falls, OR 97601

ACCOUNT NUMBER 090-15-1744

TAX ACCOUNT NUMBER 214035

1998-97

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on January 21, 1999, by the grantor is

THOMAS L PETERSON AND SUSAN K PETERSON

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

("Trustee"). The beneficiary is Klamath Falls First Federal Savings and Loan Association which is organized and existing under the laws of THE UNITED STATES OF AMERICA and whose address is 540 MAIN STREET, KLAMATH FALLS, OR 97601.

FOURTY FIVE THOUSAND NINE HUNDRED AND NO/100

This debt is evidenced by Borrower's note for monthly payments, with the full debt, if not paid in full, due and payable on FEBRUARY 1, 2029. This Security Instrument secures to Lender: (a) the repayment of all principal and interest evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of any future advances, with interest thereon, made to Borrower by Lender pursuant to the paragraph below ("Future Advances").

FUTURE ADVANCES. Upon request to Borrower, Lender at Lender's option, prior to full reconveyance of the property by Trustee to Borrower, may make Future Advances to Borrower, such Advances, with interest thereon, shall be secured by that said notes as set forth herein. For this purpose, Borrower may, with power of sale, sell the following described property located in

KLAMATH COUNTY, OREGON:

LOTS 5 AND 6 IN BLOCK 25 OF SECTION ADDITION TO THE CITY OF KLAMATH FALLS,

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

which has the address of 1926 SARGENT ST, Oregon 97611

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

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is free generally the title to the Property against all claimants.

THIS SECURITY INSTRUMENT combined with any instrument constituting a uniform covenant, constitutes a uniform covenant, and agree as follows:

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 a written waiver by Lender, Borrower shall pay to Lender, from time to time, funds to cover (a) yearly taxes and assessments which may affect the property; (b) yearly leasehold or property insurance premiums; (c) yearly flood insurance premiums; (d) any sum payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the Lender's duty, at any time, collect and hold funds

paid in full, a sum ("Funds") equal to one-twelfth of: (a) Security Instrument as a lien on the Property; (b) yearly leasehold or property insurance premiums; (c) yearly flood insurance premiums. These items are called "Escrow Items."

and to exceed the maximum amount a lender for a federally related

entity may charge. Escrow Items shall be covered by this Security Instrument.

such funds as are necessary to pay taxes and insurance premiums, and to pay any amounts due under the Note.

3. Insurance. Borrower shall maintain insurance on the property, including title insurance, fire and extended coverage, and liability insurance, in amounts and types required by Lender.

4. Taxes. Borrower shall pay taxes and assessments on the property, including property tax, real estate tax, and other taxes, in amounts and types required by Lender.

5. Leases. Borrower shall not enter into any leasehold agreement on the property without the written consent of Lender.

6. Covenants. Borrower shall not make any covenants, restrictions, or agreements on the property without the written consent of Lender.

7. Liens. Borrower shall not create any liens on the property without the written consent of Lender.

8. Title. Borrower shall not transfer the title to the property without the written consent of Lender.

9. Conveyance. Borrower shall not convey the property without the written consent of Lender.

10. Covenants. Borrower shall not make any covenants, restrictions, or agreements on the property without the written consent of Lender.

11. Liens. Borrower shall not create any liens on the property without the written consent of Lender.

12. Title. Borrower shall not transfer the title to the property without the written consent of Lender.

13. Covenants. Borrower shall not make any covenants, restrictions, or agreements on the property without the written consent of Lender.

14. Liens. Borrower shall not create any liens on the property without the written consent of Lender.

15. Title. Borrower shall not transfer the title to the property without the written consent of Lender.

On BEACH Single Family

1998-97

Initials: TPSR

ELECTION CLAVERED

09/09/01

09/09/01

09/09/01

09/09/01

Form 3633 9/90

Initials: TPSR

not usage loan
determined from
experience. It sets
the amount of
allowance.

may require for
time to time, 11
S. S. S. S.
lender may, at any time, co-
mpute, due on the basis of
any applicable law.

The Funds shall be held in an account by Lender; if Lender is such an institution as Lender may not charge Borrower for holding escrow items, unless Lender pays Borrower. However, Lender may require Borrower to Lender in connection with this loan, and requires interest to be paid, Lender shall Lender may agree in writing, however, in 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 amount necessary to pay the Escrow Items which Lender the amount necessary to make up payments, at Lender's sole discretion.

Upon payment in full of all sums so held by Lender. If, under paragraph 21, 1 Property, shall apply any Funds held by Security Instrument.

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

4. **Charges; Liens.** Borrower shall pay all charges which may attain priority over this Security Agreement in the manner provided in paragraph 1 above, prior to the date on which payment is due. Borrower shall pay all costs and expenses of collection, including attorney's fees, incurred by Lender in connection with the enforcement of any of the obligations of Borrower under this Agreement.

Borrower makes these payments directly. Borrower shall promptly discharge any writing to the payment of the obligation set forth or defends against enforcement of the lien in the lien; or (c) secures from the holder of the instrument. If Lender determines that any instrument, Lender may give Borrower any actions set forth above within 10 days of the

5. Hazard or Property Insurance. But insured against loss by fire, hazards include flooding, for which Lender requires insurance. The insurance carrier providing the same unreasonably withheld. If Borrower fails to provide coverage to protect Lender's rights in the Prop-

All insurance policies and renewals will have the right to hold the policies and renewals premiums and renewal notices. In the event you may make proof of loss if not made promptly.

Unless Lentier and Bornmayer otherwise
Property damaged, if the restoration or repair
Lender is not economically feasible or Lender
secured by this Security Instrument, whether
Property, or does not answer within 30 day
Lender may collect the insurance proceeds, by
this Security Instrument, whether or not the

Unless Lender and Borrower otherwise
the due date of the monthly payments refered
the Property is acquired by Lender, & or
Property prior to the acquisition shall pass to
prior to the acquisition

6. Occupancy; Preservation. Main tenet Borrower shall occupy, establish, and use the this Security Instrument and shall continue to date of occupancy, unless Lender otherwise extenuating circumstances exist which are beyond allow the Property to deteriorate, or commit misconduct, whether civil or criminal, is beginning otherwise materially impair the lien created by default and reinstate, as provided in paragraph Lender's good faith determination, precludes the lien created by this Security Instrument or can application process; gave materially false any material information) in connection with concerning Borrower's occupancy of the Property, shall comply with all the provisions of the lease, not merge unless Lender agrees to the merger;

7. Protection of Lender's Rights if the Security Instrument or there is a legal proceeding in bankruptcy, probate, or whatever is necessary to protect the value of any sums secured by a Lien which includes fees and costs relating on the Property or otherwise.

Est.(1) by account of the fees and costs of the Estate Settlement Procedures Act of 1974 as of December 31, 1974, rather than the law that applies to the Funds since a lesser amount may exceed the lesser amount. Lender may estimate expenditures of future Escrow Items or otherwise.

on which it may be retained and applied to pay a one-time applicable interest shall be required to be paid by the Borrower to the Lender as a charge for an independent real estate tax reporting service used by the Lender otherwise. Unless an agreement is made or applicable law so provides, Borrower shall not be liable to the Lender for any interest or earnings on the Funds. Borrower and Lender shall give to Borrower, without charge, an account of the Funds and the purpose for which each debit to the Funds was incurred by this Security Instrument.

amounts permitted to be held by applicable law, Lender shall account to Borrower for amounts of applicable law. If the amount of the Funds held by Lender at any time is less than the deficiency, Borrower shall pay 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 installments.

ider at the time of acquisition or sale as a credit against the sum(s) secured by this instrument, Lender shall promptly refund to Borrower any Funds used to acquire or sell the Property; Lender, prior to the acquisition or sale of the

applicable law; provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall, first, be applied against charges due under the Note; second, to amounts payable under paragraph 2; third, to any late charge due under the Note.

y all taxes, assessments, charges, fines and impositions attributable to the Property Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these April 2, or if not paid in that manner, Borrower shall pay them on time directly to the Lender all notices of amounts to be paid under this paragraph. If Borrower shall promptly furnish to Lender receipts evidencing the payments, Lender which has priority over this Security Interest.

ed 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 an agreement satisfactory to Lender subordinating the lien to this Security interest in the Property is subject to a lien which may attain priority over this Security interest identifying the lien. Borrower shall satisfy the lien or take one or more of the following actions:

Borrower shall keep the improvements now existing or hereafter erected on the Property within the form "extended coverage" and any other hazards, including floods or This 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 to maintain coverage described above, Lender may, at Lender's option, obtainerty in accordance with paragraph

be acceptable to Lender and shall include a standard mortgage clause. Lender shall require Borrower shall promptly give to Lender all receipts of paid taxes, Borrower shall give prompt notice to the insurance carrier and Lender. Lender by Borrower.

agreement in writing, insurance proceeds shall be applied to restoration or repair of the Property if such action is economically feasible and Lender's security is not lessened. If the restoration or repair would lessen the Lender's security, the insurance proceeds shall be applied to the sums or not then due, with any excess paid to Borrower. If Borrower abandons the Property, Lender may use the proceeds to repair or restore the Property or to pay sums secured by the Note.

any period will begin when the notice is given.
any application of proceeds to principal shall not extend or postpone
1 and 2 or change the amount of the payments. If under paragraph
any insurance policies and proceeds resulting from damage to the
extent of the sums required by this Security Instrument immediately

Deed of Protection of the Property, Borrower's Loan Application, Leaseholds. Property as Borrower's principal residence within sixty days after the execution of this Security Instrument or Borrower's principal residence for at least one year after the 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 that in Lender's good faith judgment could result in forfeiture of the Property or this Security Instrument or Lender's security interest. Borrower may cure such a 18, by causing the action or proceeding to be dismissed with a ruling that, in forfeiture of the Borrower's interest in the Property or other material impairment of Lender's security interest. Borrower shall also be in default if Borrower, during the inaccurate information or statements to Lender (or failed to provide Lender with the loan evidenced by the Note, including, but not limited to, representations as a principal residence. If this Security Instrument is on a leasehold, Borrower, If Borrower acquires fee title to the Property, the leasehold and the fee title shall existing.

Property. If Borrower fails to perform the covenants and agreements contained in this Agreement, which may significantly affect Lender's rights in the Property (such as a violation or noncompliance with environmental laws or regulations), then Lender may do and pay all expenses of the Property and Lender's rights in the Property. Lender's actions may include taking possession of the Property, instituting, appearing in court, paying reasonable attorney fees and costs, and making repairs. Although Lender may take action under this paragraph, if Lender does

If Lender exercises this option, Lender shall receive the notice as described above if Borrower fails to pay these sums without further notice.

18. Borrower's Right to Reinstate. If any of this Security Instrument discontinued at any time for reinstatement) before sale of the entity of a judgment enforcing this Security Instrument would be due under this Security Instrument covenants or agreements; (c) pays all reasonable attorney's fees; and (d) takes such instruments, Lender's rights in the Property shall remain unchanged. Upon reinstatement by fully effective as if no acceleration had occurred paragraph 17.

19. Sale of Note; Change of Loan Instrument) may be sold one or more times with the "Loan Servicer") that collects monthly payments from changes of the Loan Servicer unrelated to written notice of the change in accordance with the new Loan Servicer and the address to be required by applicable law.

20. Hazardous Substances. Borrower
Hazardous Substances on or in the Property,
that is in violation of any Environmental Law
Property of small quantities of Hazardous Sub-
stances on or in the Property.

Borrower shall promptly give Lender, governmental or regulatory agency (or private which Borrower has actual knowledge), if removal or other remediation of any Hazard necessary remedial actions in accordance with

As used in this paragraph 20, "Hazard Environmental Law" and the following substances: pesticides and herbicides, volatile solvents, in this paragraph 20, "Environmental Law" mean health, safety or environmental protection.

NON-UNIFORM COVENANTS. Bozett

21. Acceleration; Remedies. Lender is
any covenant or agreement in this Security
law provides otherwise). The notice shall specify
less than 30 days from the date the notice
of the default on or before the date specified
Instrument and sale of the Property. The
and the right to bring a court action to
acceleration and sale. If the default is not
require immediate payment in full of all sums
the power of sale, and any other remedies
incurred in pursuing the remedies provided
and costs of title evidence.

If Lender invokes the power of sale, occurrence of an event of default and of Lender recorded in each county in which any payment prescribed by applicable law to be required by applicable law, Trustee, without bidder at the time and place and under the Trustee determination. Trustee may postpone the place of any previously scheduled sale. Lender

Trustee shall deliver to the purchaser expressed or implied. The recitals in the Trust Deed, Trustee shall apply the proceeds of limited to, reasonable Trustee's and entitle to the person or persons legally entitled to

22. Reconveyance. Upon payment of all the Property and shall surrender this Security Trustee, Trustee shall reconvey the Property entitled to it. Such person or persons shall be

23. Substitute Trustee. Lender may, appointed hereunder. Without conveyance or transfer upon Trustees herein and by application

24. Attorney's Fee. As used in this Section, "attorney" means a person licensed to practice law before a state or federal court.

23. Refers to this Security Instrument
Security Instrument, the covenants and agreements
the covenants and agreements of this Security
[Check applicable box(s)]

Adjustable Rose Rider
Graduate I Payment Rider
Balloon Rider
VA

The notice shall provide a period of no less than fifteen days during which the Borrower must pay all sums secured by this Security Agreement. The Lender may invoke any remedies permitted by law.

1. However, if the Note is accelerated, Borrower shall have the right to have enforcement proceedings stayed for a period of time prior to the earlier of: (a) 5 days (or such other period as applicable law may permit); or (b) the date of acceleration. The conditions are that: (a) Lender will waive which the Note is accelerated; (b) except any default of any other obligations incurred in enforcing this Security instrument, including, but not limited to, any action by Lender reasonably required to assure that the ten of this Security instrument and the obligations to pay the sums secured by this Security instrument shall remain in full force and effect; (c) Borrower, this Security instrument and the obligations secured hereby shall remain in full force and effect. However, this right to reinstate shall not apply in the case of acceleration under

rvicer. The Note contains a partial interest in the Note (together with this Security Instrument) without prior notice to Borrower. A sale may result in a change in the entity (known as "successors") holding the Note and this Security Instrument. There also may be one or more sales of the Note. If there is a change of the Loan Servicer, Borrower will be given notice in accordance with paragraph 14 above and applicable law. The notice will state the name and address at which payment should be made. The notice will also contain any other information

shall not cause or permit the presence, use, disposal, storage, or release of any
borrower shall not do nor allow anyone else to do, anything affecting the Property.
The preceding two sentences shall not apply to the presence, use, or storage on the
premises that are generally recognized to be appropriate to normal residential uses and

ritten notice of any investigation, claim, demand, lawsuit or other action by any party involving the Property and any Hazardous Substance or Environmental Law or other laws, or is notified by any governmental or regulatory authority, that any Substance affecting the Property is necessary, Borrower shall promptly take all environmental law.

Substances are those substances defined as toxic or hazardous substances by statute: gasoline, kerosene, other flammable oil, toxic petroleum products, toxic materials containing asbestos or formaldehyde, and radioactive materials. As used in federal laws and laws of the jurisdiction where the Property is located that relate to

er and Lender further covenant and agree as follows:

l give notice to Borrower prior to acceleration following Borrower's breach of this instrument (but not prior to acceleration under paragraph 17 unless applicable law so requires): (a) the default; (b) the action required to cure the default; (c) a date, no later than which the default must be cured; and (d) that failure to cure the default in the notice may result in acceleration of the sums secured by this Security Instrument. Lender shall further inform Borrower of the right to reinstate after acceleration if Lender fails to assert the non-existence of a default or any other defense of Borrower to payment on or before the date specified in the notice. Lender, at its option, may foreclose on the property securing this instrument without further demand and may invoke the remedies permitted by applicable law. Lender shall be entitled to collect all expenses of collection, including reasonable attorney fees.

Lender shall execute or cause Trustee to execute a written notice of the Lender's election to cause the Property to be sold and shall cause such notice to be given at the place where the Property is located. Lender or Trustee shall give notice of sale in the manner and to other persons prescribed by applicable law. After the time so demanded on Borrower, shall sell the Property at public auction to the highest bidder designated in the notice of sale in one or more parcels and in any order, whether all or any parcel of the Property by public announcement at the time and place or its designee may purchase the Property at any sale.

Trustee's deed conveying the Property without any covenant or warranty. The trustee's deed shall be prima facie evidence of the truth of the statements made in the sale in the following order: (a) to all expenses of the sale, including, but not limited to, the trustee's fees; (b) to all sums secured by this Security Instrument; and (c) any excess.

Security Instrument, Lender shall request Trustee to reconvey notes evidencing debt secured by this Security Instrument to a fee of not less than \$5.00 to the person or persons legally

in time to use, remove Trustee and appoint a successor trustee to pay Trustee the Property, the successor trustee shall succeed to all the title, power and duties hereof.

any instrument and in the Note, "attorneys' fee," shall include any attorneys' fee

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

<input type="checkbox"/> Condominium Rider	<input checked="" type="checkbox"/> 1-4 Family Rider
<input type="checkbox"/> Planned Unit Development Rider	<input type="checkbox"/> Biweekly Payment Rider
<input type="checkbox"/> Residential Government Rider	<input type="checkbox"/> Second Home Rider
<input type="checkbox"/> Other _____	

"UNDER OREGON LAW, MOST AGREEMENTS
THE EFFECTIVE DATE OF THIS ACT
ARE NOT FOR PERSONAL, FAMILY,
OR BORROWER'S PERSISTENCE MUST BE IN
BY US TO BE ENFORCEABLE."

TS, PROVISIONS AND COMMITMENTS MADE BY US AFTER
CONCERNING LOANS AND OTHER CREDIT EXTENSION WHICH
HOUSEHOLD PURCHASES OR IS SECURED SOLELY BY THIS
WRITING, EXPRESS CONSIDERATION AND BE SIGNED.

BY SIGNING THIS LOAN, Borrower accepts all terms contained in his Security Instrument and all other documents executed by Borrower and recorded with it.

Witnesses:

THOMAS L. PETERSON

Borrower

SUSAN E. PETERSON

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

STATE OF OREGON,

On this 12th day of July,

SUSAN E. PETERSON,
the foregoing instrument to be
H. K.

Klamath, 1990

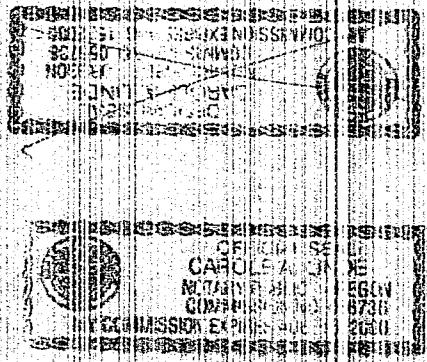
County ss:

personally appeared the above named
Thomas L. Peterson, personally and on behalf of Thomas L. Peterson,
and acknowledged
voluntarily and freely.

Before me:

Thomas L. Peterson

Notary Public for Oregon



1-4 FAMILY RIDER**Assignment of Rights**

THIS 1-4 FAMILY RIDER is made and incorporated into and shall be deemed to be a Security Instrument ("the Security Instrument") of the same date of record and supplement the Mortgage, Deed of Trust or Security Deed (the "Deed") by the third signatory (the "Borrower") to secure Borrower's Note to

ELAMATH

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION

(the "Lender")

of the same date and covering the Property

1926 SUGARLOAF
ELAMATH FALLS,

described in the Security Instrument as located at:

OREGON 97601

[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT.

Property described in the Security Instrument also constitutes the Property covered by this instrument whatsoever now or hereafter located including, but not limited to, those for the water, air and light, fire prevention and bath tubs, water heaters, water closets, screen awnings, storm windows, storm doors, paneling and attached floor coverings, replacements and additions thereto, shall be included in the Security Instrument. All of the foregoing, together with the Property described in the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not sell, agree to or make a change in the use of the Property or its fixtures, unless Lender has agreed in writing to the change. Borrower shall comply with all laws applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Awards for which insurance is required by Uniform Covenant 6.

E. BORROWER'S OCCUPANCY. Sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining Uniform Covenant 6 shall remain in effect.

RENT TO THE SECURITY INSTRUMENT. In addition to the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by this instrument: building materials, appliances and goods of every kind, or use, or intended to be used in connection with the Property, purposes of supplying or distributing heating, cooling, electricity, gas, extinguishing apparatus, security and access control apparatus, plumbing, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, now or hereafter attached to the Property, all of which, including those described to be and remain a part of the Property covered by the Security Instrument, shall be referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

CHANGE IN USE. Borrower shall not sell, agree to or make a change in the use of the Property or its fixtures, unless Lender has agreed in writing to the change. Borrower shall comply with all laws applicable to the Property.

SUPERIOR LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior against the Property without Lender's prior written permission. Borrower shall maintain insurance against rent loss in addition to the other Uniform Covenant 5.

UNIFORM COVENANT 6. 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 Uniform Covenant 6 shall remain in effect.

OREGON 1-4 FAMILY RIDER - Form No. 1-4

(7-75-57(CR) 980)

1-4 Family Rider to the Security Instrument

Page 1 of 2

MORTGAGE FORM NO. 10521-7251

Date: 10/28/84

Form 1-4-10383/64

Amended 3/94

F. ASSIGNMENT OF LEASES. Property and all security deposits shall have the right to modify, extend or terminate the existing leases; and to execute new leases, in Lender's sole discretion. As used in this paragraph, "leasehold" means "sublease" if the Security Instrument is on a leasehold.

G. ASSIGNMENT OF RENTS. Borrower absolutely and unconditionally assigns to Lender all rents and revenues ("Rents") of the Property, regardless of to whom the agents to collect the Rents, and assign agents. However, Borrower shall record paragraph 21 of the Security Instrument to Lender or Lender's agent paid to Lender or Lender's agent assignment for additional security on

If Lender gives notice of breach trustee for the benefit of Lender only, be entitled to collect and receive all Rents due and payable by each tenant of the Property shall pay all Rents due and payable by each tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be held of and managed by Lender or Lender's agents, including, but not limited to, attorney's fees, receiver's premiums, taxes, assessments and other charges on the Property, and shall be applied first to the costs of taking control of the Property and collecting the Rents, including, but not limited to, attorney's 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, or receiver shall be entitled to receive Rents actually received; and (vi) Lender may manage the Property and collect the Rents actually received as security

If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents, Borrower to Lender secured by the Security Instrument pursuant to Uniform Covenant 7,

Borrower represents and warrants that it has not and will not perform any act that

Lender, or Lender's agents or a receiver, or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a receiver shall not have or waive any default to the Property shall terminate when all Rents are paid in full.

H. CROSS-DEFAULT PROVISION. which Lender has an interest, shall be remedied permitted by the Security Instrument.

BY SIGNING BELOW, Borrower and Rider.

Thomas E. Pettersen

THOMAS E. PETTERSEN

by S. [Signature]

S. [Signature]

for [Signature]

[Signature]