

Form No. 01-801-000685 6-1
SERIAL NUMBER 71892

AFTER RECEIVING MAIL TO:

Washington Mutual Bank
C/O DATA FILE
19011 23rd AVE WEST - MS1:G
MILWOOD, WA 98036

Space Above This Line for Recording Data

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on January 11, 1999, by JEREMY NELSON, UNVERIFIED INDIVIDUAL, S1, and WILLIAM R.

("Borrower"). The trustee is ASPEN TITLE & ESCROW, a Oregon corporation ("Trustee"). The beneficiary is Washington Mutual Bank and existing under the laws of Washington and whose address is 901 01, which is organized and existing under the laws of Washington and whose address is ("Lender"). Borrower owes Lender the principal sum of Fifty-Seven Thousand and 00/00

This debt is evidenced by Borrower's monthly payments, with the full debt, if security instrument secures to Lender whenever, extenuations and modifications paragraph 7 to protect the security of agreements under his Security Instrument. In trust, with power of sale, County, Oregon:

LAT 6, BLDCK 2, CRESCENT PL, OREGON.

IN SUBDIVISION IN THE COUNTY OF Klamath, STATE OF

which has the address of CRESCENT
Oregon 97426 ("Property")
Zip Code)

THIS, the 11th day of January,

, CRESCENT PLCS

CIV

TOGETHER WITH all the appurtenances, and fixtures now or hereafter a part of the property, and all easements, rights, and other encumbrances, now or hereafter created on the property, and all easements, rights, and other encumbrances, now or hereafter created on the property. All replacements and additions shall also be included in the foregoing and is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that he will not convey the property and will defend generally the title to the property.

THIS SECURITY INSTRUMENT limited variations by jurisdiction to

be used in Oregon. It contains covenants for national use and non-uniform covenants with

constitute a uniform security instrument covering real property.

OREGON - Single Family - Farm/Misc/Frac
437A (03-98)

Secured UNIFORM INSTRUMENT

Form 3033 9/93 (page 1 of 4 pages)
TO BE RECORDED

SECURITY CONTRACT
1. Payment of Principal and Interest:
Interest on the Note evidenced by this Note and
2. Funds for Taxes and Insurance:
the day monthly payments are due under the Note which may attain priority over this Security Instrument, if any; (c) yearly hazard or property insurance premiums, if any; and (d) any sum the payment of mortgage insurance premiums in an amount not to exceed the maximum account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies in an amount not to exceed the lesser amount of expenditures of expenditures of future Escrow Items.

The Funds shall be held in an institution Lender, if Lender is such an institution) or in a bank which may not charge Borrower for holding and applying Lender pays Borrower interest on the Funds Borrower to pay at one time charge for an interest applicable law provides otherwise. Unless required to pay Borrower any interest or earnings to 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 is secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the amount of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, the amount necessary to make up the deficiency Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender or sell the Property. Lender, prior to the acquisition or sale of the Property, shall apply any funds held by Lender 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 charge; fourth, to principal due; and last, to any late charges due under the Note.

4. Charge; Liens: Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which and leasehold payments or ground rents, if any. Borrower shall pay these obligations in full in that amount, Borrower shall pay them on time directly to the person owed payment. Notices of amounts to be paid under this paragraph. If Borrower makes these payments before the giving of notice.

Borrower shall promptly discharge any lien which has priority over this Security Instrument; unless Borrower: (a) agrees in writing to pay the amount of the obligation secured 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) waives 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, discharge 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 in a manner acceptable to Lender, including floods or flooding, for which the term "extended coverage" and any other hazards, including fires or fire damage, shall be maintained in the amount and for the periods that Lender requires. The premium by Borrower subject to Lender's approval which shall not be unreasonably described above, Lender may, at Lender's option, obtain coverage to protect Lender's interest 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 shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly 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 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 amounts paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance company 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, the date of the monthly payments referred to in paragraph 1 and 2 of charge the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to acquire 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; Leasesolds: 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 extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any 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 otherwise materially impair the lien created by this Security instrument or Lender's security interest. Borrower may cure such a default and reclaims, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a finding that, in Lender's good faith determination, on precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall not 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 any material information in connection with the loan evidenced 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 Security Instrument, or there is a legal procedure necessary to protect the value of this Property by a lien which has priority over this Security instrument to make repairs. Although Lender may do so, any amounts disbursed by Lender under this instrument, unless Borrower and Lender agree to the disbursement at the Note rate and shall be payable to Lender.

8. Mortgage Insurance: If Lender requires, Borrower shall pay the premium for insurance coverage required by Lender (less costs of substantially equivalent to the mortgage insurance premium previously in effect, from the date insurance coverage is not available, Borrower shall pay the premium being paid by Borrower when the insurance payment, as a loss reserve in lieu of mortgage insurance coverage (in the amount as becomes available and is obtained. Borrower shall set aside reserves, until the requirement for mortgage insurance coverage is met, in accordance with any written agreement between Borrower and Lender or applicable law).

13. **Inspection.** Lender or anyone else given notice of the time or prior to an inspection:

(a) **Callenders.** This provision specifies the taking of any part of the Property:

At the event of a total taking of the Property or not then due, with any excuse paid of the Property immediately before the taking, unless Borrower is entitled to the taking, unless Borrower is released by the amount of the proceeds before the taking, divided by (b) the fair market value 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 from applicable law otherwise provides, the proceeds are then due.

If the Property is abandoned by Borrower, entitle a claim for damages, Borrower fails to collect and apply the proceeds, at its option, instrument, whether or not then due.

Unless Lender and Borrower otherwise do date of the monthly payments referred to as:

14. **Borrower Not Releasee; Forbearance.** Amortization 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 against any successor in interest or refuse to Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not:

15. **Successors and Assigns; 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 paragraph 17. joint and several. Any Borrower who co-signs this Security instrument but does not instrument only to mortgage, grant and convey that Borrower's interest in the Property is not personally obligated to pay the sums secured by this Security instrument; and (c) agree in writing, any application of proceeds to principal shall not extend or postpone the paragraphs 1 and 2 or change the amount of such payments.

16. **By Lender Not a Waiver.** Extension of the time for payment or modification of instrument granted by Lender to any successor in interest of Borrower shall not operate to Borrower's successors in interest. Lender shall not be required to commence proceedings to extend time for payment or otherwise modify amortization of the sums secured by this Security instrument by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not:

17. **Loan Charges.** If the loan secured

that law is finally interpreted so that the interest

permitted limits, then: (a) any such loan charge

(b) any sums already collected from Borrower vi

this return by reducing the principal owed under

by this Security instrument or the Note without the

reduction will be treated as a partial prepayment;

18. **Notices.** Any notice to Borrower pro-

vided for in this Security instrument shall be given by delivering it or by mailing it by first

other method. The notice shall be directed to the Property Address 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 or Lender when given as provided in this paragraph.

19. **Governing Law; Severability.** The

in which the Property is located. In the event that

such conflict shall not affect other provision

provision. To this end the provisions of this Sec

10. **Borrower's Copy.** Borrower shall be

given one confirmed copy of the Note and this Security instrument.

11. **Transfer of the Property in a Bank**

transferred (or if a beneficial interest in Borrower)

consent, Lender may, at its option, require imme

diate payment in full of all sums secured by this Security instrument.

However, this is prohibited by federal law as of the date of this Security instrument.

If Lender exercises this option, Lender shall

30 days from the date the notice is delivered or

Borrower fails to pay these sums prior to the

expiration of this period, Lender may invoke any remedies permitted by this Security

instrument without further notice or demand on Borrower.

12. **Borrower's Right to Reinstate.** If

out of certain conditions, Borrower shall have the right to have enforcement of

reinstatement discontinued at any time prior to the sale of the Property or:

(a) 5 days (or such other period as applicable law may specify for

enforcing this Security instrument); or (b) entry of a judgment

against Borrower; (c) pays Lender all sums which then would be due under this

Security instrument and the Note as of the date of this Security instrument; (d) takes such

action as Lender may reasonably require to assure

that the loan of this Security instrument; Lender's rights in the Property and Borrower's

Security instrument shall continue unchanged. Upon reinstatement by Borrower, this Security

instrument shall not apply in the case of acceleration.

13. **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")

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

the law. The notice will state the name and address of the new Loan Servicer and the

notice will also contain any other information required by applicable law.

14. **Hazardous Substances.** 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 sections of this instrument relate to Hazardous Substances that are generally recognized

Borrower shall promptly give Lender

governmental or regulatory agency or private party

Borrower has actual knowledge. If Borrower learns of

remediation of any Hazardous Substance affecting

in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous

Environmental Law" and the following substances

hazardous volatile solvents, materials containing

"Environmental Law," means federal laws and

environmental protection.

NON-UNIFORM COVENANTS. Borrower

21. **Acceleration; Remedies.** Lender's covenant or agreement in this Security instrument otherwise. The notice shall specify: (a) the date when the notice is given to Borrower, by whom specified in the notice may result in acceleration; shall further inform Borrower of the right to reinstate or any other defense of Borrower to notice. Lender at its option may require immediate and may invoke the power of sale and any other incurred in pursuing the remedies provided in this instrument.

make a final demand and judgment for the inspection of the Property. Lender shall give Borrower 10 days to respond to the inspection.

15. **Call Options.** Lender may call for sum due or consequential, in connection with the Property, or (b) conversion of the sums secured by this Security instrument.

16. **Waiver.** 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 by this Security instrument shall be paid to the Borrower.

17. **Waiver.** 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 by this Security instrument shall be applied to the sums secured by this Security instrument.

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If Lender invades the power of sale, or voids or defaces any of Lender's actions to which any part of the Property is subject, Seller or any other person so interested, however, shall sell the Property in public or at sealed bid in one or more parcels and in any or public pronouncement at the time and place set forth.

Trustee shall deliver to the purchasing买主, the monies in the Trustee's account of the sale in the following order:
 21. Expenses of sale:
 (a) to all sums assured by the Security Instrument;
 (b) to all sums secured by the instrument and all attorney and lender shall charge Borrower a release fee in an amount allowed by applicable law.

22. Recouvrement. Upon payment of the above amounts, the Trustee shall receive the Property without any further costs.

23. Successor Trustee. Under may hereunder. Without conveyance of the Property herein and by applicable law.

24. Attorneys' Fees. As used in this Agreement.

25. Riders to the Security Instrument, the covenants and agreements of this Security Instrument as

and its obstructions to such sale or action, as described in each county in which the Property is located, as applicable law permits. After the sale or by applicable law, Trustee, without demand or notice, may, from time to time, designate and under the terms designated in the notice, any persons sole or in joint or partial ownership of the Property, or its designee may purchase the Property at any time and place.

Trustee shall convey the Property without any covenant or warranty, expressed or implied, as to title, or as to the obligations made therein. Trustee shall apply (a) to all expenses of the sale and filing, but not limited to, reasonable Trustee's and

Security Instrument;

(b) any costs to the person or persons legally entitled to it.

Security Instrument, Lender shall request Trustee to reconvey the

Property to Lender and charge Borrower a release fee in an amount allowed by applicable

law. Such person or persons shall pay any reasonable removal costs, on time to the removal of Trustee and upon a successor trustee to any Trustee appointed by the successor trustee shall succeed to all the title, power and duties conferred upon

Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees

executed by Borrower and record together with this Security Instrument;

incorporated, and still amend and supplement the covenants of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) (specify)

- Condominium Rider
- Planning Unit Development Rider
- Manufactured Home Rider

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

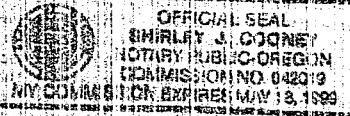
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider thereto executed by Borrower and recorded with it.

X JEAN E. NELSON

WILLIAM R. YOUNG

X ANTON R. ZELLER

X PANITA M. YOUNG



STATE OF OREGON

County of

On this 15 day of May, 1998,

JEAN E. NELSON and ANTON R. ZELLER and I

LILLIAN R. YOUNG and PANITA M. YOUNG

and acknowledge the foregoing instrument

to be their voluntary act and deed.

WITNESS my hand and official seal

affixed the date

and year in this certificate above written.

before me

Notary Public

Oregon

Date: May 15, 1998

TO TRUSTEE:

The undersigned is the holder of the with all other indebtedness secured by this said note or notes and this Deed of Trust, which are held by you under this Deed of Trust to

note or notes, executed by this Deed of Trust. Said note or notes, together with all interest thereon, have been paid in full. You are hereby directed to cancel such note or notes, and to reexecute, without warranty, all the estate(s) legally entitled thereto.

DATED:

15/05/98
William R. Young

Signature of Trustee	Signature of Witness
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15/05/98

Page 4 of 8

NO BY RICKIE D

Washington Mutual

SECOND HOME RIDER
Owner Occupancy Agreement

01-0201-000685388-1

THIS SECOND HOME RIDER is made on this 11th day of January, 1992, by the persons undersigned, in consideration of the promissory note (the "Note") of the same date, deemed to supplement and amend the instrument(s) of the same date, covers the property described in the instrument(s) of the same date, located at:

R (the "Fiduciary") is made on this 11th day of January, 1992, by the undersigned, ("Borrower"), whether there are one or more persons (undersigned), in consideration of the Borrower's loaning the "Loan" (the "Lender"), which is evidenced by a Mortgage, Deed of Trust or Security Deed (the "Security Instrument") given by Borrower to secure the Loan, which Security Instrument (the "Property"), which is the same date. This Fiduciary is incorporated into and shall be the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") given by Borrower to secure the Loan, which Security Instrument (the "Property"), which is described in the Security Instrument (the "Property"), which is

CRISCENTI PINES II, INC., SUITE 5, PRESCOTT, AZ 86301

[Property Address]

1. This Rider is Made With Reference

to the Following Facts:

A. Lender is engaged in the business of making loans secured by first and second security instruments (Mortgages, Deeds of Trust, or Security Deeds) on residential properties.

B. To induce Lender to make the Loan, Borrower has represented that the Property is a home (if this is a refinance transaction), or will be owner-occupied (if this is a new loan), has the meaning provided in paragraph 2.C. below, within 60 days after the closing of the Security instrument, and that the Property will be owner-occupied as a primary residence or second home for a minimum of one year immediately following recoupment of the Security instrument.

C. Borrower acknowledges that Lender would not have agreed to make the Loan if (1) that Lender would not have agreed to make the Loan if it was to be occupied as a second home; (2) that the interest rate as set forth on the face of the Note and in the material terms of the Loan were determined as a result of Borrower's representation that the Property would be owner-occupied as a second home; (3) that among other things, purchase corporations created by federal and state governments for the purchase of loans, typically require that properties securing loans which they purchase be owner-occupied, and will reject loans for which the properties are not owned or occupied; (4) that Lender's ability to sell a loan (which it does in its business) will be impaired if the Property is not owned and the costs of holding and administering a loan are greater than the Property is not owner-occupied; and (5) that if it is sold by non-owner-occupied property, Lender typically makes loans secured by owner-occupied property, and the charge if Borrower breaches this agreement would be extremely difficult to remedy.

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2. Borrower, Therefore, Agrees as Follows:

A. Uniform Covenant 6 of the Security Agreement is deleted and is replaced by the following:

S. (Occupancy and Use; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leasehold). Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any 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 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 the lien created by this Security Instrument or Lender's 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 any material information) in connection with not limited to, representations concerning Borrower's occupancy and use of the Property as a second home. 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.

B. If the Property is not owner-occupied (as defined below) within 10 days after the Security instrument is recorded and for a minimum of one year immediately following or assigns, at their option, may above the prevailing non-owner-determines the property is not instrument immediately due and reduced by the Borrower to a for non-owner-occupied loans amount be reduced; and/or (4) fees) normally charged by the its option to ask that the security

died as a primary residence or second home (as defined below) within 10 days after the Security instrument is recorded and for a minimum of one year immediately following or assigns, at their option, may above the prevailing non-owner-determines the property is not instrument immediately due and reduced by the Borrower to a for non-owner-occupied loans amount be reduced; and/or (4) fees) normally charged by the its option to ask that the security

accordance of the Security instrument, Lender or its successors but need not: (1) increase the interest rate and margin to 1/8 interest rate offered by the Lender at the time the Lender owner occupied; (2) dictate all sums secured by the Security require that the outstanding principal balance be sum loan to value) normally required by the Lender at the time the Lender exercises its option to ask that the loan the Borrower the additional fees (origination or other owner-occupied loans at the time Lender exercises

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C. As used in this Rider, "a residence or second home by one or used to generate rental income for instrument is recorded.

D. A breach of any of the conditions described in this Rider shall constitute a default under the terms and provisions of the

E. If litigation is brought in court by Lender, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs.

F. This Rider is binding upon all parties, their heirs, administrators, executors, personal representatives, successors and assigns.

We hereby acknowledge receiving this Rider. We fully understand that it is a crime to make any false statements concerning Title 18, United States Code, Section 1014. We hereby certify and declare that we accept this Rider under the terms and conditions

"her-occupant," means the Property is used as a primary residence of the Borrowers and that the Property will not be used for minimum of one year immediately after the Security

Instrument will be breached of this Rider by the Borrower or

to parties, their heirs, administrators, executors, personal representatives, successors and assigns.

copy of this Rider and certify that we understand this federal crime punishable by fine and/or imprisonment for any of the above facts, as applicable under provisions of Title 18, United States Code, Section 1014. We hereby certify and declare that we accept this Rider under the terms and conditions described above.

LAWRENCE E. YOUNG JR.

WILLIAM R. YOUNG JR.

PAMELA YOUNG

(154-12-93)

TO BE RECEIVED

STATE OF OREGON: COUNTY OF KLAMATH:

filed for record at request of	Aspera T	title & description	the	22nd	day
Linda Smith	A.D. 1999	04	of	Mo. 1999	of
of	Mortgagees	on Page	1163		
P.F. \$40.00		by	Linda Smith, County Clerk		