

When recorded it is requested that it be mailed to the following address:

Vol. 717 Page 238

WHEN RECORDED MAIL TO: Klamath First Federal Savings & Loan Association
2901 S. DUNN STREET
Klamath Falls, OR 97603

ACCOUNT NUMBER: 000044561

TAX ACCOUNT NUMBER: 44425

LMT 416729185

DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") made on January 19, 1999, by JOHN DAVID HOSTEROLEA ("Borrower"), The trustee is Klamath First Federal Savings and Loan Association ("Trustee"), The beneficiary is Klamath First Federal Savings and Loan Association which is organized and existing under the Laws of the UNITED STATES OF AMERICA, and whose address is 213 SOUTH SIXTH STREET, Klamath Falls, OR 97603, "Lender". Borrower owes Lender the principal sum of FORTY EIGHT THOUSAND AND NO/100 Dollars (U.S.\$ 48,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt to be paid earlier. This Security Instrument secures to Lender: (a) the payment of all extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the performance of Borrower's covenants and agreements under this Security Instrument; and the Note; and (d) the payment of all Advances.

FUTURE ADVANCES: Upon request to Borrower, Trustee to Borrower, may make Future Advances to Borrower, such Advances to be promissory notes, payable to Lender, at Lender's option prior to full recoupeyance of the property by Borrower. Such Future Advances, with interest thereon, shall be secured by the same title that said notes are secured hereby. For this purpose, Borrower, by power of sale, the following described property located in

KLAMATH COUNTY, OREGON:

LOT 10 AND THE SOUTHERN FEET OF LOT 11, OLD GARDEN MANOR, ACCORDING TO THE OFFICIAL PLAT THEREON, FILED IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of 1005 WASH. AV., Oregon 97603.

KLAMATH FALLS

[Street, City]

[Zip Code] ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All rights in the property, referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that he willfully seizes of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is free from all claims and liens, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform security instruments covering real property.

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

1. Payment of Principal and interest on the debt evidenced by the Note.
2. Funds for Taxes and Insurance. On the day monthly payments are due yearly taxes and assessments, which payments or ground rents of the Property, if any; (c) yearly insurance premiums, if any; (d) yearly flood insurance premiums, if any; and (e) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 1, in Lender name, at the time, collected and paid to Lender.

OREGON Single Family

1005 WASH. AV., OR 97603

ELECTRONIC LASER FORM, MFL 44-927-0513

Form 3038-9/80

Initials: [Signature]

not otherwise required by Borrower's loan agreement from time to time, 12 U.S.C. Section 203(a)(1). If so, Lender may, at any time, collect and the amount of funds due on the basis of current fair market value in accordance with applicable law.

The Funds shall be held in an institution which Lender, if Lender is such an institution) or in any other institution which Lender may not charge Borrower for holding and escrow items, unless Lender pays Borrower interest. However, Lender may require Borrower to pay it to Lender in connection with this loan, unless applicable interest to be paid, Lender shall not be required to pay it to Lender, if Lender agrees in writing, however, that interest is annual amortizing of the Funds, showing credits as made. The Funds are pledged as additional security.

If the Funds held by Lender exceed the amount of the Funds in accordance with the requirement, net sufficient to pay the Escrow Items when due, to Lender the amount necessary to make up the deficiency, at Lender's sole discretion.

Upon payment in full of all sums secured by Lender. If, under paragraph 21, Lender's Security Interest shall apply any Funds held by Lender.

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

4. Charges; Liens. Borrower shall pay all which may attain priority over this Security Instrument obligations in the manner provided in paragraph 1 person owed payment. Borrower shall promptly Borrower makes these payments directly. Borrower

Borrower shall promptly discharge any lien writing to the payment of the obligation secured by or defends against enforcement of the lien in, leg of the lien; or (c) secures from the holder of the instrument. If Lender determines that any part of instrument, Lender may give Borrower a notice actions set forth above within 10 days of the gen

5. Hazard or Property Insurance. Borrower insured, against loss by fire, hazards included in flooding, for which Lender requires insurance. To requires. The insurance carrier providing the just be reasonably withheld. If Borrower fails to coverage to protect Lender's rights in the Propert

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

Unless Lender and Borrower otherwise agree, Property damaged, if the restoration or repair is repair is not economically feasible or Lender's secured by this Security Instrument, whether it Property, or does not answer within 30 days a Lender may collect the insurance proceeds. Lender by this Security Instrument, whether or not then

Unless Lender and Borrower otherwise agree, the due date of the monthly payments referred to in paragraph 21 the Property is acquired by Lender, Borrower Property prior to the acquisition shall pass to Lender prior to the acquisition.

6. Occupancy, Preservation, Maintenance. 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 do so until the date of occupancy, unless Lender otherwise determines that extenuating circumstances exist which are beyond Borrower's control. Borrower shall not allow the Property to deteriorate, or commit any proceeding, whether civil or criminal, is begun or otherwise materially impair the lien created by default and reinstate, as provided in paragraph 18. Lender's good faith determination, precludes the lien created by this Security Instrument or the 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 of the lease.

7. Protection of Lender's Rights in the Property. If this Security Instrument, or there is a legal proceeding in bankruptcy, probate, or creditor suit, whatever is necessary to protect the value paying any sums secured by a lien which attorneys' fees and entering on the Property to not have to do so.

constitutes a general real estate Settlement Procedures Act of 1974 as enacted ("Title V") unless amended by that applies to the Funds sets a lesser amount than the lesser amount Lender may estimate and reasonable expenses of expenditures of future Escrow Items or otherwise

deposits are made by a tenant, agency, disbursement, or entity (including general Home Loan Bank). Lender shall apply the Funds to pay the Escrow Items, holding the Funds initially analyzing the escrow account or verifying the amount of the Funds and applicable law permits Lender to make such a charge, netting charge for an independent real estate tax reporting service used by Lender, law provides otherwise. Unless an agreement is made or applicable law requires to pay Lender any interest or earnings on the Funds, Borrower and shall be paid the Funds. Lender shall give to Borrower, without charge, an account of the Funds and the purpose for which each debt to the Funds was all sums exacted by this Security Instrument.

is permitted in he held by applicable law, Lender shall account to Borrower for the amount of the Funds held by Lender at any time is not may not notify Borrower in writing, and, in such case Borrower shall pay Lender the amount necessary to make up the deficiency in no more than twelve monthly

his Security Instrument, Lender shall promptly refund to Borrower any Funds held in trust or held in the Property, Lender, prior to the acquisition or sale of the the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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

9. Charges; Liens. Borrower shall pay all which may attain priority over this Security Instrument, and leases, assessments, charges, taxes and impositions attributable to the Property, and leasehold payments or ground rents, if any. Borrower shall pay these 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 shall promptly furnish to Lender receipts evidencing the payments.

which has priority over this Security Instrument unless Borrower: (a) agrees in the lien in a manner acceptable to Lender; (b) contests in good faith the lien by proceedings which in the Lender's opinion operate to prevent the enforcement of an agreement satisfactory to Lender, subordinating the lien to this Security the Property is subject to a lien which may attain priority over this Security Lender's name. Borrower shall satisfy the lien or take one or more of the of notice.

shall keep in improvements now existing or hereafter created on the Property him the term "extended coverage" and any other hazards, including floods or insurance shall be maintained in the amounts and for the periods that Lender may shall be chosen by Borrower subject to Lender's approval which shall not maintain coverage described above. Lender may, at Lender's option, obtain in accordance with paragraph 7.

acceptable to Lender and shall include a standard mortgage clause. Lender shall f, Lender requires. Borrower shall promptly give to Lender all receipts of paid Borrower shall give prompt notice to the insurance carrier and Lender. Lender or Borrower.

in writing, insurance proceeds shall be applied to restoration or repair of the economically feasible and Lender's security is not lessened. If the restoration or security would be lessened, the insurance proceeds shall be applied to the sums not then due, with any excess paid to Borrower. If Borrower abandons the 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 the 30-day period will begin when the notice is given.

in writing, application of proceeds to principal shall not extend or postpone in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 18, it's right to any insurance policies and proceeds resulting from damage to the Lender to the extent of the sums secured by this Security Instrument immediately

10. Assignment of the Property; Borrower's Loan Application; Leaseholds. as Borrower's principal residence within sixty days after the execution of the Property as Borrower's principal residence for at least one year after the ree in writing, which consent shall not be unreasonably withheld, or unless Borrower's control. Borrower shall not destroy, damage or impair the Property, assets on the Property. Borrower shall be in default if any forfeiture action or trial in Lender's good faith judgment could result in forfeiture of the Property or his 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 statement to Lender (or failed to provide Lender with the loan evidenced by the Note, including, but not limited to, representations by 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 writing.

property. If Borrower fails to perform the covenants and agreements contained in exceeding that may significantly affect Lender's rights in the Property (such as a action or for failure to enforce laws or regulations), then Lender may do and pay for the Property and Lender's rights in the Property. Lender's actions may include a priority over this Security Instrument, appearing in court, paying reasonable and repairs. Although Lender may take action under this paragraph 10, Lender does

Any amounts disbursed by Lender to Borrower and its employees or agents shall bear interest from the date of disbursement until the Note note and shall be paid to Lender on demand. The Note note and all other documents shall bear interest from the date of disbursement until payment. The Note note and all other documents shall bear interest from the date of disbursement until payment. The Note note and all other documents shall bear interest from the date of disbursement until payment.

The Borrower is responsible for cost of any insurance purchased by Lender. The cost of this insurance may be added to your contract or loan balance. If the cost is added to the contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. Effective date of coverage may be the date the Borrower's prior coverage lapsed or the date the Borrower fails to provide proof of coverage.

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

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

3. Mortgage Insurance. If Lender requires more 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 coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect, no longer be required, at the option of Lender, if no longer required to maintain mortgage insurance in accordance with any written agreement between Borrower and Lender or applicable law.

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

be paid to Leadville, or to the amount of damages, direct or consequential, in connection with any condemnation or other taking of any part of Property, or for conveyance in lieu of condemnation, are hereby assigned and shall

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 applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, and if the Property is abandoned by Borrower, the amounts so applied shall be deducted from the sums due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds of this option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 and 2 or change the amount of such payments.
11. Borrower Not Released; Forbearance By Lender. Amortization of the sums secured by this Security Instrument may not be suspended or terminated to release the liability of the original Borrower or to commence proceedings against any successor in interest or the sums secured by this Security Instrument by reason of any interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right.

12. Successors and Assigns; Burden; 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. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (i) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (ii) is not personally obligated to pay the sums secured by this Security Instrument; and (c) it is understood 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 the participation of any other Borrower.

13. Loan Charges. If the loan secured by this Security Instrument or the Note without that Borrower's consent, in 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. Borrower may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. 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 under this Security Instrument or the Note will be given by mailing it to the address of Borrower set forth above, or to the address last known to the Lender, if different, unless otherwise specified in writing by either party.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address set forth 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 or 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 the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Notes are declared to be severable.

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

17. Transfer of the Property or a Part thereof or if a beneficial interest in the prior written consent, Lentist may, at any time pay to Borrower in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lentist unless it is provided in this Security Instrument and the Note are declared to be

If Lender exercises his option, Lender shall give Borrower 10 days from the date the notice is delivered to the instrument. If Borrower fails to pay these sums prior to the expiration of the period, Lender may invoke any remedy permitted by this Security Instrument without further notice or demand.

18. Borrower's Right to Reinstate. If Borrower of this Security Instrument discontinued at any time (specify for re-instatement) before sale of the Property, or if a judgment enforces this Security Instrument would be less under this Security Instrument than covenants or agreements; (c) pays all expenses reasonable attorneys' fees; and (d) takes such action as Lender deems necessary to reinstate this Security Instrument, Lender's rights in the Property and Borrower's obligations under this Security Instrument and the obligations secured hereby shall remain unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall be 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 under the Note and his 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 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 Property of small quantities of Hazardous Substances 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 which Borrower has actual knowledge. If Borrower removal or other remediation of any Hazardous Substances is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law and the following substances used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law, and the following substances: gasoline, lead paint, other flammable or toxic petroleum products, toxic asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means all federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

21. NON-UNIFORM COVENANTS. Borrower shall not violate any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify less than 30 days from the date the notice is given to cure the default on or before the date specified in the notice of the Property. The notice and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies provided 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's election to 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 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 the place of any previously scheduled sale. Lender or Trustee shall deliver to the purchaser expressed or implied. The recitals in the 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 to the person or persons legally entitled to them.

22. Reconveyance. Upon payment of all the Property and shall surrender this Security Instrument. Trustee shall reconvey the Property, he successor trustee to any Trustee my recordation costs.

23. Substitute Trustee. Lender may appoint hereunder. Without corroboration, confirmed upon Trustee herein and by application of law.

24. Attorneys' Fees. As used in this Security Instrument, the covenants and agreements of this Security Instrument are enforceable by an appropriate court.

25. Rider(s) to this Security Instrument. The covenants and agreements of this Security Instrument are enforceable by an appropriate court.

- Adjustable Rate Rider
- Gradual Payment Rider
- Balloon Rider
- VA Rider

UNDER OREGON LAW, MOST AGREEMENTS EFFECTIVE DATES OF THIS AGREEMENT ARE NOT FOR PERSONAL, FAMILY, OR BUSINESS PURPOSES OR SECURED SOLELY BY THE WRITING, EXCEPT AS EXPRESS CONSIDERATION AND BE SIGNED.

Form 3038 9/90
Initials: *[Signature]*

Borrower shall have the right to have enforcement mailed within 10 days of the expiration of the period, Lender may invoke any remedy permitted by this Security Instrument.

19. Borrower shall have the right to have enforcement of (a) 1 day (or such other period as applicable law may permit) of sale contained in this Security Instrument; or (b) those conditions that Borrower: (a) pays Lender all sums which then accrued; (b) cures any default of any other

Note as if acceleration had occurred; (c) pays Lender all sums which then accrued; (d) cures any default of any other instrument and the obligations secured hereby shall remain in effect. Lender may reasonably require to assure that the ten of this Security Instrument and the obligations secured hereby shall remain unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby 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.

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 generally recognized to be appropriate to normal residential uses and

not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances or Environmental Law or involving the Property and any Hazardous Substance or Environmental Law or environmental agency. If Borrower is notified by any government or regulatory authority that any removal or other remediation of any Hazardous Substance is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

21. NON-UNIFORM COVENANTS. Borrower shall give notice to Borrower prior to acceleration following Borrower's breach of this Security Instrument (but not prior to 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 later 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 may result in acceleration of the sums secured by this Security Instrument.

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of this Security Instrument (but not prior to 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 later 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 may result in acceleration of the sums secured by this Security Instrument. Lender shall further inform Borrower of the right to reinstate after acceleration and the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Trustee shall execute or cause Trustee to execute a written notice of the 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 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 the place of any previously scheduled sale. Lender or Trustee shall deliver to the purchaser expressed or implied. The recitals in the 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 to the person or persons legally entitled to them.

23. Substitute Trustee. Lender may appoint hereunder. Without corroboration, confirmed upon Trustee herein and by application of law.

24. Attorneys' Fees. As used in this Security Instrument, the covenants and agreements of this Security Instrument are enforceable by an appropriate court.

25. Rider(s) to this Security Instrument. The covenants and agreements of this Security Instrument are enforceable by an appropriate court.

- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- Other(s) _____
- 1-4 Family Rider
- Bi-weekly Payment Rider
- Second Home Rider

26. Covenants and Agreements Made by Us After Date of This Agreement. Lender and Borrower agree that any covenants and agreements made by us after the date of this Security Instrument, except as otherwise provided in this Security Instrument, are not enforceable against Lender or Borrower.

27. Acknowledgment. Lender and Borrower acknowledge that they have read and understood the contents of this Security Instrument and that they are signing it freely and voluntarily.

28. Miscellaneous. Lender and Borrower agree that any provision of this Security Instrument that is illegal or unenforceable is hereby modified to the extent necessary to make it legal and enforceable. If any provision of this Security Instrument is illegal or unenforceable, it does not affect the validity or enforceability of the other provisions of this Security Instrument.

29. Governing Law. This Security Instrument is governed by Oregon law. Any dispute arising out of or relating to this Security Instrument shall be resolved by arbitration in accordance with the rules of the American Arbitration Association.

30. Entire Agreement. This Security Instrument contains the entire agreement between Lender and Borrower and supersedes all previous negotiations, understandings, and agreements between them.

31. Signatures. Lender and Borrower acknowledge that they have read and understood the contents of this Security Instrument and that they are signing it freely and voluntarily.

32. Acknowledgment. Lender and Borrower acknowledge that they have read and understood the contents of this Security Instrument and that they are signing it freely and voluntarily.

BY SIGNING BELOW, Borrower and
any minor(s) executors by Borrower and his or
her witness:

has agreed to the terms and conditions contained in this Security Instrument and in
all written instruments executed by Borrower and his or her witness:

John David Rosticella
JOHN DAVID ROSTICELLA
(Seal)

-Borrower

(Seal)

-Borrower

(Seal)

-Borrower

STATE OF OREGON,
On this 19th day of

January,

1999

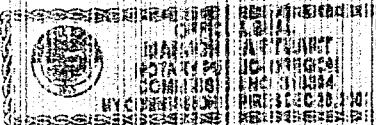
County is:
, personally appeared the above named
and acknowledged

John David Rosticella
the foregoing instrument to be
his
My Commission Expires: 12-10-02
(Official Seal)

voluntary act and done.

Before me

John David Rosticella
Notary Public of Oregon



WASHBURN

WAY

APPLEGATE
AVE.

12		16	
13	5700	9. CS 549-2	8
14		17	
15	5800	100	
16	S. CS 549-3		
17	48-1	18	
18	5900	5. 00	
19		19	
20	6000		
21	100 20		
22	6100	5. 00	
23	SEE CS 549-5		
24	21		
25	6200	48 00	
26	SEE CS 549-6		
27	22		
28	6300	48 10	
29	SEE CS 549-7		
30	23		
31	6400	48 10	
32	SEE CS 549-8		
33	24		
34			

WANTLAND
AVE.

5	6500	7. 00	
6	6600	7. 00	
7	6700	72. 0	
8	6800	710. 0	
9	6900	700. 0	
10	41B		
11	9500		
12	3. 11 AC.		

Amp

THIS SKETCH IS MADE
PURPOSE OF ASSISTING IN LOCATING CERTAIN PREMISES
ASSUMED FOR TAX DIMENSIONS AND LOCATED
BY ACTUAL SURVEY.

STATE OF OREGON COUNTY OF Klamath

Filed for record at request of _____ of January A.D. 19_____

Fee \$35.00

12		16	
13	5700	9. CS 549-2	8
14		17	
15	5800	100	
16	S. CS 549-3		
17	48-1	18	
18	5900	5. 00	
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22	6100	5. 00	
23	SEE CS 549-5		
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26	SEE CS 549-6		
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28	6300	48 10	
29	SEE CS 549-7		
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31	6400	48 10	
32	SEE CS 549-8		
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ST. ST.

ALANDALE

12		16	
13	3700	47	
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15	4000	48	
16	SEE CS 549-12		
17	43	3600	48
18	4100		
19	SEE CS 549-11		
20	42	43	
21	4200	3500	
22	SEE CS 549-10		
23	41	50	
24	4300	3400	
25	40	51	
26	4400	52	
27	39	3300	52
28	4500	53	
29	3B	53	
30	4600	3200	
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RECLAMATION

12	7500	8300	
13	35	56	
14	7600	57	
15	34	6200	
16	7700	57	
17	33	58	
18	7800	59	
19	32	59	
20	7900	60	
21	SEE CS 549-9		
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APPLEWOOD

12		16	
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WANTLAND

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ENTERPRISE

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LAST RECORDED DATE 08/20/1986

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Linda Smith, County Clerk

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RECORDED BY [Signature]