

MAIL - change of legal address
be sent to the following address:

WHEN RECORDED MAIL TO:
FJ MORTG CO COMPANIES
4349 SW KENDO RD, #350
EUGENE OREGON, OR 97403

LOAN #: 10550687
ACCOUNT NUMBER:
FAK ACCOUNT NUMBER

N 27

M 11/19

2004

MT 4015-M2

CASE #: 0281254

DEED OF TRUST

NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

THIS DEED OF TRUST ("Security Instrument") is made on JUNE 21, 1999, by PATRICK G. WALSH AND TRUSTOR WALSH

The grantor is

The trustee is ANHITTELL

("Borrower")

The beneficiary is FJ MORTGAGE CO COMPANIES D/B/A PREMIER MORTGAGE RESOURCES

("Trustee")

existing under the laws of THE STATE OF KANSAS and whose address is 2345 GRAND AV., #2200, KANSAS CITY, MO 64108

which is organized and

Borrower owes Lender the principal sum of \$192,565.00. This debt evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), is full debt, if not paid earlier, due and payable on FEBRUARY 1, 2029.

("Lender")

This Security Instrument secures to Lender extensions and modifications of the Note, the security of this Security Instrument, instrument and the Note. For this purpose following described property located in BURKE, WASHINGTON, BURKE, WASHINGTON, County, Oregon:

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

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

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

Instrument; and (d) grants and conveys to Trustee, in trust, with power of sale, the

PROPERTY DESCRIPTION (KETCHUM)

JEP #: 3909-0110A-06100

County, Oregon.

which has the address of 4724 OHYE P RD, KETCHUM, IDAHO

[Street, City]

Oregon 97503
(Zip Code)

(Property Address)

OREGON Single Family FNMA/FHA/MC UNITOS INSTRUMENT
VMP-A (OR) (950) Form 3038 9/90 (revised 1/92)
DRAFTED 6/10

Aug 1 1999

INITIALS *[Signature]* *[Signature]*
DRIVEN/ADDED

TOGETHER WITH all the fixtures now or hereafter a part of the Property, it is referred to as the "Property."

BORROWER COVENANTS: That Borrower warrants that the Property and either the Property is under the title to the Property against all claims

THIS SECURITY INSTRUMENT contains no variations by jurisdiction to constitute a

UNIFORM COVENANTS.

1. Payment of Principal and Interest: Prepayment and Late Charges.

1. Payment of Principal and Interest: Prepayment and Late Charges.

2. Funds for Taxes and Insurance: On the day monthly payments are due or assessments which may attain priority over rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and \$8, in lieu of the payment of mortgage interest and hold Funds in an amount not to exceed Borrower's escrow account under the Federal Section 2601 et seq. ("RESPA"), unless

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items and applicable law permits Lender to make such a charge. However, Lender for an independent real estate accounting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is too, Lender may so notify Borrower in writing, and, in such case Borrower shall pay the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at 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. If, under paragraph 21, Lender shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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

4. Charges; Liens: Borrower shall pay taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if payment, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien to the payment of the obligation secured by the lien, against enforcement of the lien in legal proceedings which secures from the holder of the lien an assignment satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance: Borrower shall keep the improvement now existing or hereafter erected on the Property within the term "extended coverage," and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the coverage described above, Lender may, at Lender's option, obtain coverage in accordance with paragraph 7.

All insurance policies and renewals shall have the right to hold the policies and renewals premiums and renewal notices. In the event of damage, if the restoration or repair is economically feasible or Lender's security would be breached, within 30 days a notice from Lender that the same. Lender may use the proceeds to repair or not then due. The 30-day period will begin

Unless Lender and Borrower otherwise agree, damaged, if the restoration or repair is economic feasibility, and Lender's security is not breached. If the restoration or repair is not feasible, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not the same can be restored. If Borrower abandons the Property, or does not answer or restore the same open, or to pay sums secured by this Security Instrument, whether or not the notice is given.

existing on the property, and all easements, appurtenances, and fixtures now or hereafter attached to the property, and also be covered by this Security Instrument. All rights in the property is the "Property."

any interest in the property, or any right to grant and convey interest in the property. Borrower warrants and will defend generally and personally object to any encumbrances of record.

obligations and covenants for habitual use and non-inform covenants with limited

from a security instrument covering real property.

and Lender covenant and agree as follows:

Prepayment and Late Charges.

object to applicable law or to a written waiver by Lender, Borrower shall pay to Lender Note and any prepayment and late charges due under the Note.

subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender the Note in full, a sum ("Funds") for: (a) yearly taxes and his Security Instrument, and lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly

any sums payable by Borrower to Lender, in accordance with the provisions of paragraph

Escrow Items. These items are called "Escrow Items." Lender may, at any time, collect the maximum amount a lender for a federally related mortgage loan may require for

Real Estate Settlement Procedures Act of 1974, as amended from time to time, 12 U.S.C.

other law that applies to the Funds, as a lesser amount. If so, Lender may, at any time,

collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of

current data and reasonable estimates of expenditures of the Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution where deposits are insured by a federal agency, instrumentality, or entity (including

Lender, if Lender is such an institution) or any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items.

and applying the Funds, annually analyzing the escrow account, or verifying the Escrow

Items and applicable law permits Lender to make such a charge. However, Lender

for an independent real estate accounting service used by Lender in connection with

otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender

interest or earnings on the Funds. Borrower and Lender may agree in writing, however,

Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing

credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional

security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for

payments of applicable law. If the amount of the Funds held by Lender at any time is

too, Lender may so notify Borrower in writing, and, in such case Borrower shall pay

the deficiency. Borrower shall make up the deficiency in no more than twelve monthly

payments, at 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. If, under paragraph 21, Lender shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations

in the manner provided in paragraph 2, or if payment, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these

payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien to the payment of the obligation secured by the lien, against enforcement of the lien in legal proceedings which secures from the holder of the lien an assignment satisfactory to Lender subordinating the lien to this Security Instrument. If

Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender

may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within

10 days of the giving of notice.

5. Hazard or Property Insurance: Borrower shall keep the improvement now existing or hereafter erected on the Property

within the term "extended coverage," and any other hazards, including floods or

floods, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender

requires. The insurance carrier providing the coverage described above, Lender may, at Lender's option, obtain coverage

in accordance with paragraph 7.

All insurance policies and renewals shall have the right to hold the policies and renewals premiums and renewal notices. In the event of

damage, if the restoration or repair is economically feasible or Lender's security would be breached, within 30 days a notice from Lender that the same. Lender may use the proceeds to repair or not then due. The 30-day period will begin

Unless Lender and Borrower otherwise agree, damaged, if the restoration or repair is economic feasibility, and Lender's security is not breached. If the restoration or repair is not feasible, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not the same can be restored. If Borrower abandons the Property, or does not answer

or restore the same open, or to pay sums secured by this Security Instrument, whether or not the notice is given.

STATEMENT

88-2 of

Initials: 

Unless Lender and Borrower otherwise agree, the due date of the monthly payments referred to in paragraph 22, the Property is acquired by Lender, Borrower prior to the acquisition, it shall pass to Lender on the date of the acquisition.

6. Occupancy, Reservation, 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 occupy the Property, unless Lender otherwise directs in circumstances exist which are beyond Borrower's control to deteriorate, or commit waste on the Property or criminal, is begun that in Lender's good faith 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 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 a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding to bankruptcy, probate, or condemnation (or foreclosure or enforcement laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the 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 to Borrower of the mortgage insurance previously in effect, 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 lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available at or before the taking, if mortgage insurance coverage is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make inspections 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.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any partial taking of any part of the property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, or no, then due, with any excess paid to Borrower, the Property immediately before the taking is compared to the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower shall be reduced by the amount of the proceeds immediately before the taking, divided by (b) the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower shall be entitled to receive the same in full, unless Lender and Borrower otherwise agree. In the event of a partial taking, the taking is less than the amount of the sums secured by this Security Instrument, or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not the sums are then due.

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

Unless Lender and Borrower otherwise agree, the due date of the monthly payments referred to in paragraphs 1 and 2, or change the amount of such payments.

11. Borrower Not Released; Non-Bearance. By Lender Not a Successor. Extension of the time for payment or modification of instrument granted by Lender to any successor in interest of Borrower shall not affect the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence suit to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any forbearance by Lender in exercising any right or remedy.

12. Successors and Assigns. Borrower. Joint Instrument shall bind and benefit the successors and assigns of Borrower's covenants and agreements shall be binding on the Note. (a) co-signing this Security



under the terms of this Security Instrument, (b) agrees that Lender and any other Lender may terminate the term of this Security Instrument in the No.

13. Loan Cautions. If the loan required by the law is finally interpreted so that the interest is permitted limits them, (a) any such loan charge limit, and (b) any sum already collected from Borrower may choose to make this refund by reducing the principal, this reduction will be treated.

14. Notices. Any notice to Borrower provided by mail unless applicable law requires us address Borrower designates by notice to Lender or any other address Lender designates shall be deemed to have been given to Borrower or Lender.

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 either provision or clause of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provision

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, exercise this option shall not be exercised by Lender.

If Lender exercises this option, Lender shall than 30 days from the date the notice is delivered to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify) from any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. The conditions are that Borrower: (a) pays Lender all sums which then would be due if no acceleration had occurred; (b) cures any default of any other covenants or agreements this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (c) takes such action as Lender may require in the Property and Borrower's obligation to pay reinstatement by Borrower, this Security Instrument acceleration had occurred. However, this right

19. Sale of Note; Change of Loan Servicer. may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due for the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made.

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 do, not allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" means those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, solvents, materials containing asbestos or formaldehyde, or to insecticides, herbicides, volatile organic compounds, radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to 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. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-sale. If the default is not cured on or before the date specified in the notice, Lender may invoke any other remedies permitted by applicable law provided in this paragraph 21, includ-

ing, but not limited to, reasonable attorney's fees and costs of title evidence. Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to accelerate 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, at the time required by applicable law,

and pressure it not to pay the sums secured by this Security Instrument, and by giving and receiving notice to make any account holder with regard to the note's balance.

15. Security Lien. This instrument is subject to a law which sets maximum loan charges, and regular loans collected or to be collected in connection with the loan exceed the limit, the amount necessary to reduce the charge to the permitted amount will be deducted from Borrower's principal and will be refunded to Borrower. Lender may pay owed under the Note or by mailing a direct payment to Borrower. If a refund is given, the amount will be reduced by any payment charge under the Note.

16. Notices. Any notice to Borrower provided by first class mail unless applicable law requires us to another method. The notice shall be directed to the Property Address; or any other address Lender designates. Any notice to Lender shall be given by first class mail to Lender's address stated in the Note. Any notice provided for in this Security Instrument shall be given when given as provided in this paragraph.

17. 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 either provision or clause of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provision

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

19. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, exercise this option shall not be exercised by Lender.

If Lender exercises this option, Lender shall than 30 days from the date the notice is delivered to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice.

20. Hazardous Substances. Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify) from any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. The conditions are that Borrower: (a) pays Lender all sums which then would be due if no acceleration had occurred; (b) cures any default of any other covenants or agreements this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (c) takes such action as Lender may require in the Property and Borrower's obligation to pay reinstatement by Borrower, this Security Instrument acceleration had occurred. However, this right

21. Sale of Note; Change of Loan Servicer. may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due for the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made.

22. 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 do, not allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 22, "Hazardous Substances" means those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, solvents, materials containing asbestos or formaldehyde, or to insecticides, herbicides, volatile organic compounds, radioactive materials. As used in this paragraph 22, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

23. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to 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. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-sale. If the default is not cured on or before the date specified in the notice, Lender may invoke any other remedies permitted by applicable law provided in this paragraph 23, includ-

ing, but not limited to, reasonable attorney's fees and costs of title evidence. Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to accelerate 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, at the time required by applicable law,

title, without demand on Lender, at any time or from his designated in the note, upon sale of all or any parcel of the title, Lender or his designee may purchase the Property.

Trustee shall deliver to the purchaser: (A) the principal, interest, and attorney's fees; (B) to all sum legally entitled to it.

12. Reconveyance. Upon payment of all the Property and shall surrender this Security Instrument, the Trustee shall reconvey the Property without any persons shall pay any recordation costs.

13. Substitute Trustee. Lender may, from time to time, remove Trustee and appoint a successor trustee to any Trustee appointed herein and by applicable law.

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

15. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of said riders shall be incorporated into and shall amend and supplement the covenants of this Security Instrument as the rider(s) were a part of this Security Instrument.

Adjustable Rate Rider

Graduated Payment Rider

Balloon Rider

V.A. Rider

Condominium Rider

Planned Unit Development Rider

Non Impacted Rider

Other(s) [S. City]

1-4 Family Rider

Biweekly Payment Rider

Second Home Rider

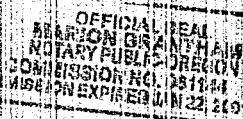
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

PATRICK J. WALSH
On this day of

STATE OF OREGON,
On this day of

Patrick J. Walsh and Cincinnati J. Walsh
and acknowledged the foregoing instrument to be

My Commission Expires:
(Official Seal)



Claimed to be

Court ss;
Personally appeared the above named

voluntary act and deed.

Before me,

Marcus J. Walsh

OREGON STATE NOTARY PUBLIC FORM IN ST
NMB-5V(03)(05)3 Form #1385-20 Amended 10/04

UMINT

Page 5 of 5

ORVIADED

LOAN #: 16550667

VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER

**NOTICE: THIS LOAN IS NOT ASSUMMABLE
WITHOUT THE APPROVAL OF THE DEPARTMENT
OF VETERANS AFFAIRS OR ITS AUTHORIZED
AGENT.**

THIS VA GUARANTEED LOAN AND ASSUMPTION POLICY RIDER is made this **21ST** day of **JANUARY**, **19**9**9**, and is incorporated into and shall be deemed to amend and supplement the Mortgage Deed [Trust or Deed] to Secure Debt (herein "Security Instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure his/her [or its] Note to **FT MORTGAGE COMPANY INC D/B/A PRIMELINE MORTGAGE RESOURCES**.

and covering the Property described in the Security Instrument and located at:

4716 COUNTRY PLACE, KENNEWICK, WA 99336
[Property Address]

(herein "Lender")

VA GUARANTEED LOAN COVENANT: In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:
If the indebtedness secured hereby be guaranteed or insured under Title 33, United States Code, such Title and Regulations issued thereunder and in effect on the date hereof shall govern the rights, duties and liabilities of Borrower and Lender. Any provision of the Security Instrument or other instrument executed in connection with said indebtedness which are inconsistent with said Title or Regulations, including, but not limited to, the provision for payment of any sum in connection with prepayment of the secured indebtedness and the provision that the Lender may accelerate payment of the secured indebtedness pursuant to Covenant 17 of the Security Instrument, are hereby amended, or negated to the extent necessary to conform such instruments to said Title or Regulations.

LATE CHARGE: At Lender's option, Borrower will pay a "late charge" not exceeding four per centum (4%) of the overdue payment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses incurred hereby.

GUARANTY: Should the Department of Veterans Affairs fail or refuse to issue its guaranty in full amount within 60 days from the date that this instrument would normally become eligible for such guarantee committed upon by the Department of Veterans Affairs under the provisions of Title 33 of the U.S. Code ("Veterans Benefits"), the Mortgagor may declare the indebtedness hereby secured at once due and payable and may foreclose immediately or may exercise any other right or remedy or take any other proper action as by law provided.

TRANSFER OF THE PROPERTY: This instrument may be declared immediately due and payable upon transfer of the property securing such loan to a third party, unless the acceptability of the assumption of the loan is established pursuant to Section 3714 of Chapter 37, Title 33, United States Code.

An authorized transfer ("assumption") of the property shall also be subject to additional covenants and agreements as set forth below:

(a) **ASSUMPTION FEE:** A fee equal to one-half of 1 percent (.50%) of the balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the loan holder or its authorized agent, as trustee for the Department of Veterans Affairs. If the assignee fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to the indebtedness already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the payee, the indebtedness hereby secured by any transfers thereof, shall be immediately due and payable. This fee is automatically waived if the assignee is exempt under the provisions of 33 U.S.C. 3729 (c).

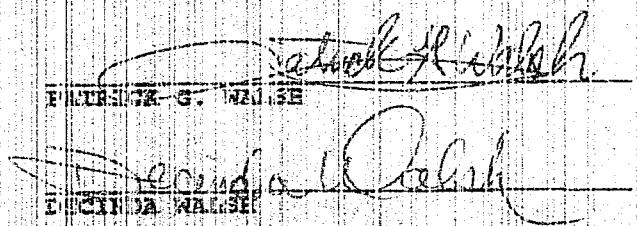
28854

LOAN # 16551667

(b) **ASSUMPTION FEE CHARGE:** Upon application for approval to allow assumption of this loan, a processing fee may be charged by the loan holder or its authorized agent for determining the creditworthiness of the assumer and subsequently using the holder's ownership record when an approved transfer is completed. The amount of this charge shall not exceed the maximum established by the Department of Veterans Affairs for a loan to which Section 3714 of Chapter 37, Title 38, United States Code applies.

(c) **ASSUMPTION INDEBTEDNESS LIABILITY:** If this obligation is assumed, then the assumee hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan. The assumee further agrees to indemnify the Department of Veterans Affairs to the extent of any claim or payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Borrower(s) has executed this VA Guaranteed Loan and Assumption Policy Rider.



Entered by G. Waller

Printed by G. Waller

EXHIBIT "4" DEED DESCRIPTION

2355

A portion of Lots situated in the NW 1/4 of Section 11, Township 39 South, Range 9 East of the Willamette Merit as follows:

Beginning at an iron pin on the North 89 degrees 53 minutes Southwesterly line of the Southeasterly line of said Lot 58; thence South 0 degrees 04 1/2 minutes West along the Easterly line of said Lot 58 to a point of beginning.

7. 53 and 61 of FIRST ADDITION TO SUMMERS LANE HOMES, NW 1/4 of Section 11, Township 39 South, Range 9 East of the Willamette Merit, Klamath County, Oregon, more particularly described

as follows: Beginning at an iron pin on the Northeast corner of said Lot 58; thence West a distance of 176.09 feet to an iron pin on the Onyx Place; thence North 35 degrees 16 1/2' East along the line of Onyx Place a distance of 121.54 feet to an iron pin; thence North 35 degrees 16 1/2' East a distance of 127.57 feet to an iron pin on the line of said Lot 61; thence South 0 degrees 04 1/2' West along the Easterly line of said Lot 61 a distance of 28.15 feet, more or less, to a point of beginning.

STATE OF OREGON, COUNTY OF KLAMATH

Filed for record at the office of _____
on _____ day of January A.D. 1999
for _____

rec'd title
11-3
stages

clock A.M. and duly recorded in Vol. No. 99
on Pg. 284

Linda Smith, County Clerk

by *Linda Smith*, *P. Ross*

FEE \$45.00