

When Recorded Mail To:
HP EMPLOYEES FEDERAL CREDIT UNION
P.O. BOX 10302
PALO ALTO, CA 94303-0720

Assessor's Parcel or Account Number:
3808-23DB-102

Abbreviated Legal Description:

[Include lot, block and plat or section, township and range]

Full legal description located on the following page.

Order No. F69-008789
Account No. 78426-18

HOME EQUITY LINE OF CREDIT

Deed of Trust with Assignment of Rents and Request for Special Notice
(LINE OF CREDIT MORTGAGE)

NOTICE: THIS DOCUMENT CONTAINS PROVISIONS FOR A VARIABLE ANNUAL PERCENTAGE RATE

THIS DOCUMENT SECURES OBLIGATIONS INCLUDING THE REPAYMENT OF OBLIGATORY
FUTURE ADVANCES. THIS DEED OF TRUST, made June 11, 1999, between
DOUGLAS W. CHAMBERLIN AND CAROL A. CHAMBERLIN, AS TENANTS BY THE ENTIRETY

herein called TRUSTOR, whose address is
2552 LAKESHORE DRIVE
KLAMATH FALLS, OR 97601

DAVID A. KUBAT C/O T.D. SERVICE COMPANY

herein called TRUSTEE, and HP EMPLOYEES FEDERAL
CREDIT UNION, herein called BENEFICIARY, WITNESSETH: That Trustor irrevocably grants, transfers,
and assigns to Trustee in Trust, with Power of Sale, that property in the County of KLAMATH
State of OREGON, described as,

DDS-HLC

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LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".

together with the rents, issues and profits hereof, subject, however, to the right, power and authority hereinafter given to and conferred upon Beneficiary to collect and apply such rents, issues and profits.

The Agreement and this Deed of Trust are, at the option of the Beneficiary, subject to acceleration upon sale, conveyance, alienation, or assignment, as permitted by law.

Signature of Trustor

Douglas W. Chamberlin 6/15/99
DOUGLAS W. CHAMBERLIN DATE

Carol A. Chamberlin 6/15/99
CAROL A. CHAMBERLIN DATE

State of OREGON } ss.
County of KLAMATH }

On 15 June 1999, before me, D

Douglas W. + Carol A. Chamberlin, personally appeared
personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged
to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s)
on the instrument the person(s), or the entity upon behalf of
which the person(s) acted, executed the instrument.

WITNESS my hand and official seal:



KATHRYN E. NOWASKI
NOTARY PUBLIC-OREGON
COMMISSION NO. 307174

MY COMMISSION EXPIRES NOVEMBER 25, 2001

For the Purpose of Securing:

(1) All of the obligations of Trust under that certain agreement entitled "Open-End Variable Rate Agreement and Federal Disclosure Statement for Loans Secured by Real Estate" between the Trustor and Beneficiary and dated, June 11, 1999, (hereinafter referred to as "Agreement"), as said Agreement may be modified or the obligations secured thereby may be extended, renewed, or replaced by other evidences or indebtedness from time to time. The Agreement provides for the payment of all sums of money with interest, at a rate or rates tied to an index and is, therefore subject to change from time to time, and other charges which may be paid out or advanced by, or otherwise due to Trustee or Beneficiary under the provisions of the Agreement and this Deed of Trust. The amount secured hereby as of the date of this Deed of Trust is the Trustor's credit limit of \$ 50,000.00 (hereinafter referred to as the "credit limit"). This amount may be increased by the

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Beneficiary upon the trustor's request and may be decreased by the Beneficiary upon notice to the other parties to the Agreement.

(2) Payment, with interest thereon of any and all present or future indebtedness or obligations of Trustor (or any of them or any successor in interest to Trustor to the property) to Beneficiary, whether created directly or acquired by assignment, whether fixed or contingent, whether due or not, whether otherwise secured or not, or whether existing at the execution of this Deed of Trust or arising thereafter.

(3) Payment of such additional sums, with interest thereon, as may hereafter be advanced to Trustor, or his successors or assigns, when evidenced by an Agreement reciting that they are secured by this Deed of Trust, and all extensions, modifications and renewals of such additional advances.

(4) Payment, performance and discharge of every obligation, covenant and agreement of Trustor whether contained or incorporated by reference in this Deed of Trust, or contained in any document now or hereafter executed by Trustor in connection with the loan evidenced by the Agreement.

Variable Rate Loan. The Agreement secured by this Deed of Trust contains provisions which may result in increases in the Annual Percentage Rate or in the periodic installments. Reference is hereby made to the Agreement and to the Home Equity Rider attached to this Deed of Trust for provisions relating to such increases.

Agreement to Lend: Subject to the terms of this Agreement, Beneficiary is obligated to advance to Trustor during the Draw Period, or any extension of the Draw Period, an amount not to exceed Trustor's credit limit and Beneficiary is establishing for Trustor an account in the amount of Trustor's credit limit. Trustor's credit limit is the maximum amount of unpaid balance to which Trustor will be entitled. Trustor's repayment during the Draw Period of the Agreement of all or a portion of the then unpaid balance will result in a corresponding increase in credit then available to Trustor under the Agreement. The initial Draw Period ends on

June 11, 2009

Trustor.

, but may be extended by mutual agreement of Beneficiary and

Subject to a mutual modification of the Agreement and this Deed of Trust, the maximum term of the Agreement is 20 years (including a 10 year Draw and a 10 year Repayment Period).

SEE ATTACHED HOME EQUITY RIDER TO DEED OF TRUST MADE A PART HEREOF.

To Protect the Security of This Deed of Trust, Trustor Agrees: To all the terms and provisions contained in said subdivisions A and B, (identical in all counties, and attached hereto) which are by the within reference thereto, incorporated herein and made a part of this Deed of Trust for all purposes as fully as if set forth at length herein, and Beneficiary may charge for a statement regarding the obligation secured hereby, provided the charge therefor does not exceed the maximum allowed by law. Further, when used in said subdivisions A and B the terms note or notes shall mean Agreement.

The undersigned Trustor, requests that a copy of any notice of default and any notice of sale hereunder be mailed to him at his address hereinbefore set forth.

In accordance with applicable law of the jurisdiction of this Deed of Trust (such as California Civil Code Section 2924b), request is hereby made by the undersigned TRUSTOR that a copy of any Notice of Default and a copy of any Notice of Sale under Deed of Trust recorded _____ as Doc. No. _____ in Book _____, Page _____, Official Records of _____ County, _____ State, as affecting above described property, executed by
DOUGLAS W. CHAMBERLIN AND CAROL A. CHAMBERLIN, AS TENANTS BY THE ENTIRETY

as Trustor in which

is named as Beneficiary, and

as Trustee, be mailed to HP EMPLOYEES FEDERAL CREDIT UNION whose address is
P.O. BOX 10302
PALO ALTO, CA 94303-0720

ADDITIONAL TERMS AND PROVISIONS

A. To protect the security of this Deed of Trust, Trustor agrees:

(1) To keep said property in good condition and repair, not to remove or demolish any building thereon, to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefore, to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon, not to commit or permit waste thereof, not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.

(2) To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Trustor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(3) To appear in and defend any action or proceeding purporting to affect the security hereof or the rights of powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear, and in any suit brought by Beneficiary to foreclose this Deed.

(4) To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto, fees and expenses of this Trust.

Should Trustor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation to do so and without notice to or demand upon Trustor and without releasing Trustor from any obligation hereof, may: make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

(5) To pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the amount allowed by law in effect at the date hereof, and to pay for any statement provided for by law in effect at the date hereof regarding the obligation secured hereby any amount demanded by the Beneficiary not to exceed the maximum allowed by law at the time when said statement is demanded.

B. It is mutually agreed:

(1) That any award of damages in connection with any condemnation for public use of injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

(2) That by accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

(3) That at any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said Agreement for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may: reconvey any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon, or join in any extension agreement or any agreement subordinating the lien or charge hereof.

(4) That upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed and said Agreement to Trustee for cancellation and retention or other disposition as Trustee in its sole discretion may choose and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The Grantee in such reconveyance may be described as "the person or persons legally entitled thereto".

(5) That as additional security, Trustor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Trustor the right, prior to any default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues, and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

(6) That upon default by Trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written declaration of default and demand for sale and of written notice of default and of election to cause to be sold said property, which notice Trustee shall cause to be filed for record. Beneficiary also shall deposit with Trustee this Deed, said Agreement and all documents evidencing expenditures secured hereby.

After the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell said property at the time and place fixed by it in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to such purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustor, Trustee, or Beneficiary as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the amount allowed by law in effect at the date hereof, all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

(7) Beneficiary, or any successor in ownership of any indebtedness secured hereby, may from time to time, by instrument in writing, substitute a successor or successors to any Trustee named herein or acting hereunder, which instrument executed by the Beneficiary and duly acknowledged and recorded in the office of the recorder of the county or counties where said property is situated, shall be conclusive proof of proper substitution of such

successor Trustor or Trustees, who shall, without conveyance from the Trustee predecessor, succeed to all its title, estate, rights, powers and duties. Said instrument must contain the name of the original Trustor, Trustee and Beneficiary hereunder, the book and page where this Deed is recorded and the name and address of the new Trustee.

(8) That this Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the owner and holder, including pledgees, of the Agreement secured hereby, whether or not named as Beneficiary herein. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

(9) That Trustee accepts this Trust when this Deed, duly executed and acknowledged is made a public record as provided by law. Trustee is not obligated to notify any part thereto at pending sale under any other Deed of Trust or at any action or proceeding in which Trustor, Beneficiary or Trustee shall be a party unless brought by Trustee.

TO _____ TITLE INSURANCE COMPANY REQUEST FOR FULL
RECONVEYANCE

The undersigned is the legal owner and holder of the Agreement or Agreements, and of all other indebtedness secured by the foregoing Deed of Trust. Said Agreement or Agreements, together with all other indebtedness secured by said Deed of Trust, have been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said Agreement or Agreements above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you under the same.

Date _____

Please mail Deed of Trust, Agreement and Reconveyance to

Do not lose or destroy this Deed of Trust OR THE AGREEMENT which is secured. Both must be delivered to the Trustee for cancellation before reconveyance will be made.

A tract of land situated in the NW 1/4 SE 1/4 of Section 23, Township 38 South, Range 8 East of the Willamette Meridian, in the County of Klamath, State of Oregon, more particularly described as follows:

Beginning at a point on the Southerly line of that tract of land described in Deed Volume M-74, Pages 13889 and 13890 of the Klamath County Deed Records, from which the center quarter corner of said Section 23, as shown by recorded Survey No. 1571, bears North 15 degrees 26' 01" West 827.85 feet; thence North 20 degrees 59' 47" West 101.34 feet; thence North 78 degrees 20' 00" East 449.66 feet to a 5/8" rebar with Tru-Line Surveying plastic cap; thence continuing North 78 degrees 20' 00" East to the shoreline of Klamath Lake; thence Southeasterly, along said shoreline to the Southerly line of said Deed Volume; thence South 78 degrees 20' 00" West to a 5/8" iron pin with a Westvold and Associates plastic cap; thence continuing South 78 degrees 20' 00" West 511.67 feet to the point of beginning, to the shore line as shown by said Survey No. 1571, with bearings based on said Survey No. 1571.

CODE 190 MAP 3808-23DB TL 102

HP Employees Federal Credit Union

Home Equity Line of Credit

(LINE OF CREDIT MORTGAGE)

Rider to Deed of Trust

**NOTICE: THIS DOCUMENT CONTAINS PROVISIONS FOR A
VARIABLE ANNUAL PERCENTAGE (INTEREST) RATE.**

In this Rider to Deed of Trust, the words, I, ME and MY mean each and all of those who sign the Home Equity Line of Credit Open-end Variable Rate Agreement and Federal Disclosure Statement (herein "Agreement"). The words YOU, YOUR and YOURS mean HP Employees Federal Credit Union.

Payment: I promise to repay you at your office all sums advanced to me or any person I permit to use this account on the terms and at the rates set forth herein. Payments will continue until I have paid in full the unpaid balance, FINANCE CHARGES and any other charges. If my ANNUAL PERCENTAGE RATE is changed pursuant to the provisions set forth below, the amount of payments required to repay the unpaid balance will be affected accordingly. I understand and agree that each payment is applied first to late charges, if any, then to offer fees and charges, if any, then to FINANCE CHARGE and then to unpaid balance.

Periodic Rate: The initial periodic rate used in calculating the FINANCE CHARGE is the daily periodic rate set forth in the Agreement (initial ANNUAL PERCENTAGE RATE set forth in the Agreement).

The daily periodic rate is determined by dividing the ANNUAL PERCENTAGE RATE by 365 and will change when the ANNUAL PERCENTAGE RATE changes. The ANNUAL PERCENTAGE RATE imposed under the Agreement does not include costs other than interest. **When FINANCE CHARGE is Imposed:** The FINANCE CHARGE begins on the date each advance is posted to my account.

How to Determine the Balance on Which My FINANCE CHARGE Is Computed: You will figure the FINANCE CHARGE on my account by applying the daily periodic rate to the unpaid balance of my account. To get the unpaid balance, you will take the ending balance of my account each day, after adding any new advances and subtracting any payments or credits.

How You Determine My Total FINANCE CHARGE: Each time I make a payment on my account (or from the date of my first advance on a new account), you will multiply the unpaid balance by the applicable daily periodic rate (in effect at the time), and multiply that result by the number of days since the date of the last payment (or from the date of the first advance on a new account). When advances are added to the loan, the FINANCE CHARGE is computed on the unpaid balance from the date of the last payment or advance (or from the date of the first advance on a new account) to the date of the additional advance, then on the total unpaid balance to the date of the next payment or advance. This determines my total periodic FINANCE CHARGE for the billing cycle. Actual FINANCE CHARGE is shown on a periodic statement delivered to me.

How You Determine Changes in My ANNUAL PERCENTAGE RATE: The ANNUAL PERCENTAGE RATE may increase or decrease during the term of the Agreement. Any such change will be based on an increase or decrease in the Prime Rate as published in the Wall Street Journal under "Money Rates," (herein "Index"). In the event that the Prime Rate ceases to be published in the Wall Street Journal, changes in the ANNUAL PERCENTAGE RATE will be related to a comparable Index as provided under the Change in Terms paragraph set forth below.

My ANNUAL PERCENTAGE RATE is determined by adding the margin set forth in the Agreement to the Index in effect as of each Adjustment Date. The Index in effect as of the date of the Agreement is set forth in the Agreement. You may waive an increase in the ANNUAL PERCENTAGE RATE when such an increase can be made, but such a waiver shall not be construed as a waiver of your right to increase the ANNUAL PERCENTAGE RATE at a future date when entitled to do so.

My ANNUAL PERCENTAGE RATE is subject to change on the first day of each month during the Draw Period and on the first day of the Repayment Period. These dates shall be known as "Adjustment Dates." The Index in effect on the third business day prior to the Adjustment Date shall be used to calculate the ANNUAL PERCENTAGE RATE change effective on the Adjustment Date. The maximum ANNUAL PERCENTAGE RATE during the term of this Agreement is 17.000 %, except that the maximum may not exceed the maximum ANNUAL PERCENTAGE RATE permitted federal credit unions at the time of each ANNUAL PERCENTAGE RATE change. There is no minimum ANNUAL PERCENTAGE RATE, nor is there an annual limitation on changes in the ANNUAL PERCENTAGE RATE during the term of the Agreement. Decreases in the ANNUAL PERCENTAGE RATE in accordance with the terms of this agreement are mandatory. Increases in the ANNUAL PERCENTAGE RATE in accordance with the terms of this Agreement are at your discretion. Any increase or decrease in the ANNUAL PERCENTAGE RATE may result in changes in the amount of payments required to repay the unpaid balance.

Mutual Modification: You and I may mutually agree in writing to modify the terms of the Agreement including, but not limited to, extensions of the Draw and/or Repayment Periods. I understand and agree that if I enter into a Mutual Modification Agreement with you, I will continue to be subject to the terms and conditions set forth in the Agreement, except as specifically changed in the Mutual Modification Agreement. I also understand and agree that I shall be required to pay any costs you incur with regards to a modification including, but not limited to, a processing fee set forth in the Agreement and the costs of a title search and report, title insurance and recording.

Change of Terms: You may change the terms of the Agreement as follows: 1) if such change is specifically authorized in the Agreement; 2) where the Index is no longer available as permitted by law and/or regulation; 3) where the change will benefit me throughout the remaining terms of the Agreement; 4) where the change is "insignificant"; or 5) as otherwise permitted by law and/or regulation. You will notify me of such a change by mailing a notice of the change to me at my last known address. I also understand that any such notice will be mailed at least fifteen (15) days prior to the effective date of the change or as required by federal or other law. Notice of change in terms is required, but may be sent as late as the effective date of the change where the change has been agreed to in writing by me.

This rider contains only those terms of the Agreement relating to ANNUAL PERCENTAGE RATE changes. See the Agreement and the Deed of Trust for complete terms.

State of Oregon, County of Klamath
Recorded 6/22/99, at 11:00 a. m.

In Vol. M99 Page 24434

Linda Smith,

County Clerk

Fee \$ 50 - KR