

1999 SEP 20 PM 3:03

Vol M99 Page 37364

When Recorded Mail To:

Until Further Notice, Send All Tax Statements To:

Key Bank USA, National Association

P.O. BOX 1688

Mt. Laurel NJ 08054

ATTN: POST CLOSING DEPARTMENT

Vol M99 Page 45187

K-54400
DEED OF TRUST

Loan Number 3950956KF

THIS DEED OF TRUST is made this 15th day of September, 1999
among the Grantor, JOHN C PERRY AND LYNNEA A PERRY

(herein "Borrower"), First American Title Insurance Company of Oregon (herein "Trustee"),
and the Beneficiary, Key Bank USA, National Association, a corporation
organized and existing under the laws of The United States of America, whose address is
8000 Midlantic Dr, Suite 202 North, Mt. Laurel, NJ 08054
(herein "Lender")

BORROWER, in consideration of the indebtedness herein recited and the trust herein created, irrevocably
grants and conveys to Trustee, in trust, with power of sale, the following described property located in the County
of Klamath, State of Oregon:

ATTACHED to this deed of trust is a map of the property, which is a portion of the Klamath River
Plot 3 in Block 16, FIRST ADDITION TO KLAMATH RIVER ACRES, according to the
official plat thereof on file in the office of the County Clerk of Klamath County,
Oregon.

Re-Recorded to add Trustee

which has the address of 17217 RIVEREDGE ROAD, KENO

Oregon 97627 (herein "Property Address");

(Zip Code)

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights,
appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply
such rents), all of which shall be deemed to be and remain a part of the property covered by this Deed of Trust;
and all of the foregoing, together with said property (or the leasehold estate if this Deed of Trust is on a leasehold)
are hereinafter referred to as the "Property"

TO SECURE to Lender the repayment of the indebtedness evidenced by Borrower's note dated
September 15, 1999 and extensions and renewals thereof (herein "Note"), in the principal sum of
U.S. \$ 20,600.00, with interest thereon, providing for monthly installments of principal and
interest, with the balance of the indebtedness, if not sooner paid, due and payable on
September 20, 2014, the payment of all other sums, with interest thereon, advanced in
accordance herewith to protect the security of this Deed of Trust; and the performance of the covenants and
agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant
and convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower
covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands,
subject to encumbrances of record.

K 40,
K 35 RR
OREGON - SECOND MORTGAGE - 1/80 - FNMA/FHLMC MODIFIED INSTRUMENT
Uniform - S12P1OR - 1/97

Form 3838

(Page 1 of 7 pages)

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

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Deed of Trust and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.