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variatious by jurisdiction to constitute a uniform security instrument covering real property. THIS SECURITY INSTRUMENT combines uniform covenants for narroral use and mon-man and cryspather with profession

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

procepted of and interest on the febt evidenced by the Note and any prepayment and lare charges the assist the 1. Payment of Principal and Interest: Prepayment and Late Charges, Borrower shall promptly pay when the the

remines may estimate the amount of Eminds due on the part of carrein data and Dollars (U.S., \$,76,000.00 determines). This debte is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 1, 2029 to the land. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions; and modifications; of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security, Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property, located in his many or broberth mank lamath many (q) have been more county, Oregon: The North 130 refeet of the South 260 feet of Lot 25, HOMELAND TRACTS #2, in the 15 the second County, of Klamath; State of Oregon, the point man the place a bard in participant the county of the 4. Funds for Taxes and Insurance. Subject to applicable law or to a written univer by Landon, Borrower half pay to

GARY, Lucker, and creme of the Lucker of a additional account for all same second parties of the second of applicable lay requires interest to be paid, course shall not be required to pay Borrower any interest or a nation on the Fonds. ("Botrower,"). Life traises is a VSEEN TITTE 98 - ESCROM 191 INC. shall be paid on the Funds, a each shall give to there were without charge, an annual accounting of the Funds shall not an additional decreases and above the rest of the founds of the parties of the same at the course of the course of the course of the founds of the parties of the course of the c 525 MAIN STREET, KLAMATH FALLS, mOR 197601 interrupte the Language office of the state of the st ("Trustee"). The beneficiary is SOUTH VALLEY, BANK & TRUST, change for an inclinance real countries of the second statement of verifying the Escrow froms, mass 1, ender pays Borrower merren on the runds and applicable pay permits 1,4 mar to male, saids which is organized and existing under the laws of AN, OREGON BANKING CORPORATION and whose address is PO Box 5210, KLAMATH FALLS of OR 97601 and spore reasonable from a bold in spore relative The Equip shall be held in an institution whose general are ("Lender"), Borrower owes Lender the principal sum of Seventy Six of housand and no/100 abbusings 1977.

tweeve monthly payments, at Lender's sole discretion. time is not sufficient to pay the Escrive Items when the finales may so haply borrower in writing, and, in and, were foresome shall pay to Lender the amount necessary to make up the deficiency. Burrower shall hade up the deficiency in me more tien for the excess family in accordance with the requirements of applicable lowe if the impaint of the Funds held by Lepider as my THIS DEED OF TRUST ("Security Instrument") is made on NOVEMBER 11 1010, 1999,

of the Property, shall apply any Eunis held b DEED in OL o LLARA real as a create against the same served by Funds held by Lender, If, under paragraph 21, Lender shall acquire or sell the Property. Loader, pring to the acquired acrossed Opon payment in full of all sums secured by this Security Instrument, Lender shall promptly referred to Borrower any

third, to interest due; fourth, to principal due; and fast, to any late charges due under the Note. TAX ACCOUNT NUMBER: (1122) to mix bushakusan charges and under the Monst Schond to mis mine the same 3303-166-5400; of Payments. Unless applicable law provides otherwise, all payments a criver of the

PO. Box 52103. KLAMATH EALLS in ORgonomer sport brombing parties to perfect treating a manager are habitative 84601 cison owed payment. Borrower shall promptly furnish to Lender all nodees of amonaises by paid today one granging. these obligations in the manner provided in paragraph 2, or if not paid in that manner, Horarses shall an item on the creaty **VCCOUNT. MARBEE** FROM OVER this Security Instrument, and leasehold payments of granted reputs, it any Botto of the 830195049 jest blens. Borrower shall pay all taxes, assessments, charges, fines and napositions attribute to the farmer.

SOUTH (VALLEY) BANK 1& aTRUST thin 10 days of the giving of notice. (RO BOX: 5210; nKLAMATH, FALES); OROLLOWEL & HOLICE INCREDITION HER HEAD OF THE OLD TH 18/2001 with Instrument. If Lender determines that any part of the Property as subject to a lien, which may are an opnority over entorcement of the hen; or (c) secures from the holder of the fielt an agreement satisfactory to Lendor subgranted by the heart of SOUTH AFFEAUBANK 18 INDICEMENT Of the Ben in, legal proceedings which in the Lender's opinion operator to prevent the ATTN DEBANNAUL promptity discharge any lien which has priority over this Second, increment where Concrete an extension

Until a change is requested all tax statements shall be sent to the following address.

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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 replacements and additions shall also be covered by this Security Instrument, All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised 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 warrants and will defend generally the title to the conveyer warrants and will

defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a 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 mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These it was are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA") unless another law that applies to the Funds sets 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 future Escrow Items or otherwise in accordance with applicable law.

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 in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting 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, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each 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 not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up 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 acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, 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 charges 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.

A: Charges; Liens. Borrower shall pay all 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 not paid in that manner, Borrower shall pay them on time directly to the person owed 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 which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

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5. Hazard or Property 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 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 insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender.

Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument; whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument

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immediately prior to the acquisition.

in inc bit 16 Occupancy; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

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 that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums 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 required points in the 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, ustrangon improducely payors the citable, of

8. Mortgage Insurance. If Lender required 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 lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve that Lander, requires) provided by an insurer approved by Lender again becomes available and is obtained. See Loru 3038, 3130

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 and 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 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.

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

shall be paid to Lender, and a column physical p 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 the sums are then 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, at its option, either to restoration or repair of the Property or to the sums

secured by this Security Instrument, whether or not then due.

Unless, Lender, and Borrower, otherwise agree in writing, any application of proceeds to principal shall not extend or

postpone 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; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of ameritization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in inferest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; 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: (a) 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; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees 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 that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that 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. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If 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 provided for in this Security Instrument shall be given by delivering it or by mailing it by 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 stated 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 Note are declared

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 coisent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

object f Lender exercises this option. Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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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 for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue 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.

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 due under 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. 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 of the new Loan Servicer and the 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 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 provate party involving the Property and any Hazardous Substance or Environmental Law of which Horrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or involving 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" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and 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: (a) the default; (b) the action reduced to cure the default; (c) a date, not less 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 on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. 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-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 permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the 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, 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 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 demand on Borrower, shall sell the Property at public auction to the highest 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 sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. 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 attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any

excess to the person or persons legally entitled to it.

22. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is

permitted under applicable law.

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23. Substitute Trustee. Lender may, from time to time, remove Trustee and appoint a successor trustee to any Trustee appointed Hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties

conferred upon Trustee herein and by applicable law out is it the tight (s) were a part of this section, mention

2ccnt24. Attorneys' (Fees) As used in this Security Instrument and in the Note; "attorneys' fees," shall include any attorneys' tees awarded ph an abbellate coint instrument. It one or more riders are executed by Burrower and recovered tog Lotm 3038 3/30

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Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box (es)] now convey ance of the Property, the successor trusted shall succeed to all the tribe power Condominium Rider

1-4 Family Rider Biweekly Payment Rider of the Planned Unit Development Rider of Biweekly Payment Rider berson Balldon Rider | bak suk recomputer Co Rate Improvement Rider 2001 berson Second Home Rider 2001 as a second Home Rider reconvey the Property and shall surrender this Seconds herroneer and all notes evidencing debt second by her Second institute forms of persons lepshys and her Second in State in Second Louis Kinet. 22. Recontegance, Upon payment of all sums secured by this Securp, Institution, Leaser many required length to the Security by the Property and shall someoute this Security betterment and all notes oridinaring their security by the Property and shall someoute the last security the Property and shall secure the security that the property and shall secure the security that the property and shall secure the security that the security tha excess to the person or persons legally entitled to it. therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale initialization that initialization that initial to, cossonable Trustee's and atterneys' fees; (b) to all some secured by this Security assistances and atterneys' fees; (b) to all some secured by this Security assistances. Signing Bellow, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Lider (2) executed phy Boundard and recorded mith it deed converting the Property and Minesses. Fruction and place and prospore sale of all or any part of the Property and Minesses. Fruction and place and plac regained by applicable law, Trustee, without demand on four GULAS (in FREKEE) number prescribed by applicable han to Borrower and to other person If Lender involves the power of sale. Lender shall except the injury rence of an event of default and of Lender's election to except the reports to occurrence of an event of default and of Leutler's election to m further demand and may invoke the power of sale and any other resolves permitted by applicable low. Lender the facilities defined in collect of expenses incurved in missing the resoluted in this meaning its facilities have not limited to reasonable attorneys, free and casts of title evidence.

SENVE T. TREKEL egus, DM-LAEKER And CENTROBREMATE TO THE MAN LANGET BUTTONER HAD SELECTION AND THE MAN LANGET BUTTONER HAD SELECTION TO relate to health, safety or environmental protection. and acknowledged the foregoing instrument to be read rawtheirs to contain woluntary act and deed not diction have to be here as a read of the Official Seal in this parameter of "Hazzudous Substances" are three substracts defined as notic or terrantees observed by MA Committee professional and the factor of the professional professional in president and the factor of the professional professional presidents and the factor of the professional professional presidents and the factor of the professional profess Gottering Seal to the Communication of the Moral Angular Seal to the Property is not contained to the Property in the Property is not contained to the Property in the Property is not contained to the Property in the Property in the Property is not contained to the Property in the P storage on the Property of small quantities of Hazardons Substances that are generally recognized to be appropriate to tought Property that is in yiolation of any Euvironmental Law. The preseding two sentences shall not apply to the presence, est, or eHiouphaganous on or in the Property, Borrower seed on nor allow anyone else to do anythic Loum 3038 3/30 20. Bizzardous Substances, Borrower shall not cause or permit the presence luse, disposal, storage, or release of 201 information required by applicable law. given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state an extensional address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any effect or more changes of the Loan Servicer untrelated to a sale of the Note, if there is a change of the Loan Servicer, On where will is as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a charge in the energy concess. 19. Sale of Note; Change of Loan Servicer. The Note of a partial interest in the Store container with this Security nor apply in the case of acceleration under paragraph 17. this Security Instrument shall continue unchanged. Open remstatement by Burrower, this Scuring instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred, However, they got to returnor shall including, but not limited to, reasonable attorneys' tees, and (d) takes such action as Lepaker and reasonable require to assure that the first of this Security Instrument, Lender's rights in the Property and Borrswel's onlygined to go, it is such secured by cures any definite of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, Security instrument, or (b) curry of a judgment enforcing this Security Instrument. Those conditions are that from the control to be founded to be a fit in acceleration has exemped to be the world be due under this Security Instrument and the Note as if no acceleration has exemped to be applicable law may specify for reinstaicment) before rate of the Property pursuant to any power of safe considered or the

18. Borrower's Right to Redistate. If Borrower miers certain conditions, Borrower that once their gut is borre enforcement of this Security furtiument discontinued at any time prior to the earlier of: (a) 5 days one with other period as

ADDENDUM TO DEED OF TRUST

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Residential Loan Program refly at 5d flade 5101/, 5d) and 501 15 Oregon Housing and Community Services Department

t. of a pureness in the Lispensial Color of State of the any resent at the following of a such purchase bed, then the above provisions shall be to be above provisions shall be to be above to be above provisions shall be above and the interest rate may be increased to 1.873 %. The Lender intends to assign its rights under the attached Deed of Trust to the Oregon Housing and Community Services Department, State of Oregon (the "Department"). In the event the Department accepts such assignment, the rights and obligations of the parties to the attached Deed of Trust are expressly made subject to this Addendum. In the event of any conflict between the provisions of this Addendum and the provisions of the Deed of Trust or Note, the provisions of this

Addendum shall control. mubabbb aidt ai benintaee era deidw stell bar turiT to beeC edt to arrest adt to ancitaeilibem edt et in the covered it. As long as this mortgage is held by the Department, or its successors or assigns, the Lender may declare all sums secured by this mortgage to be immediately due and payable if: 11/11/169

- a all or part of the property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale of transfer, all as provided in Section 143(c) and (I)(2) of the Internal Revenue Code, or
 - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (I)(2) of the Internal Revenue Code (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1) or in Section 143(d)(1); or

disnoving obtaining at an acquisition cost which is greater than 90 percent of the average area purchase price (greater than 110 leading that Institute is percent for targeted area residences), all as provided in Section 143(e) and (1)(2) of the Internal Revenue Code; or with early and the end of the

- (iv) who has a gross family income in excess of the applicable percentage of applicable median family income as provided in Section 143(f) and (I)(2) of the Internal Revenue Code; or
- b. Borrower fails to occupy the property described in the mortgage without prior written consent of the Lender or THE OWN TO POWER its successors or assigns described at the beginning of this Addendum; or
- c. Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for this mortgage.

References are to the Internal Revenue Code as amended and in effect on the date of issuance of bonds, the proceeds of which will be used to finance the purchase of the mortgage, and are deemed to include the implementing (Seel) regulations.

- The Borrower understands that the agreements and statements of fact contained in the Addendum to Residential Loan Application are necessary conditions for granting this loan.
- 3. The Borrower agrees that no future advances will be made under this Deed of Trust without the consent of the Department

WARNING

Unless you (the Borrower) provide us (the Department) with evidence of the insurance coverage as required by this Deed of Trust, we (the Department) may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral (the Trust Property) becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your loan balance. If the cost is added to your loan balance, the interest rate on the underlying loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

Rusing of Program
The Borrower understands and agrees that the above provisions and the interest rate set to purchased, or if such purchased only if this loan is purchased by the Department or its assigns. If for any reason it is not so purchased, or if such purchased only if this loan is purchased by the Department or its assigns. If for any reason it is not so purchased to 7.875 %
and the monthly indigitine it of principal was already to be a second and the monthly indigitine in the second and the second in
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can be demonstrated to borrower. THIS DOCUMENT SUBSTANTIALLY WAS ANOTHER TO BORROWER.
I hereby consent to the modifications of the terms of the Deed of Trust and Note which are contained in this Addendum. I hereby consent to the modifications of the terms of the Deed of Trust and Note which are exampled in this Addendum. Successive the Lander may declare all successive the Lander may declare the Lander
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guibre beinge and out a fille and condition in a principal residence during any pages had a fille three-year period ending the state of
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Off and On Normalian 19 4 before me, the undersigned, a Notary Public in and for said County and State, personally known to me to be the identical individual and an appeared the within named National and according to me that
described in and who executed the within instrument and acknowledged to me that
the same freely and voluntarily. 28 2000000 viinual mailtonia olderidge to englineering of the same freely and voluntarily. IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed by official seal this day and year last above written.
OFFICIAL SEAL TRISHA L. POWELL TRISHA TRIS
TRISHAL POWELLS NOTARY PUBLIC-OREGON COMMISSION NO. 318646 COMMISSION EXPIRES UCT. 4 2002 Seggittent sum tot double felt up to a contract to the contract to t
of which will be used to the first the purchase of the wortness and in effect on the date of issuance of bonds, the proceeds
regulations
2. The Burrower understands that the agreements and statements of fact contained in the Addendum to Residential Logarians of the Residential
는데 그는 항문 모든 이 작년, 사람들은 전문이는 점점 문제를 하는 것으로 유리하는데 하는 그리고 그 바쁜 경험 가능한 가능한 기 업을 하는데 하는데 그렇게 되었다.
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sgaravoo ita ioonij abrvonij ur banat nov anaa ani to bacqar agrando aniij aloo ana ad State of Oregon, County of Klamath ioon van han moo moo no niisido naa nov aanaanii unii avrando a saara voo a Recorded 11/17/99, at <u>309 p.</u> m. wat aldaaliqqa yd bacquur atmamatupar aanaanii ytilidaii ytotabaani yna na agrando a Recorded 11/17/99 page <u>45648</u>
Linda Smith, County Clerk Fee\$ 45 ∞