to the following address.

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8460] erson rived payment. Borrower shell promptly furnish to Lendel, all notices of amounts to be paid yealer this paragraph. these obligations in the manner provided in paragraph 2, or if not paid in that manner, fromover shall pay them on time directly. ACCOUNT NUMBER FORMY fivor due Sections (Instrument, and Jenschold payments of ground remain drains, drains, from Borrawer shale pay 830195095 rest. Henr. Borrower shall pay all taxes, assessments, charges, three and payersmons aurinovable to the Property

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shall pay to Lender the amount necessary to make up the deficiency. Bottower shall make up the deficiency or no more than time is not sufficient in pay the Escrow Hems when due, Lender may so usudy Borrower in writing, and, in such case Borrower for the excess Funds in accordance with the requirements of applicable law. If the difficult of the reputs held by Lebeler in any THIS DEED OF TRUST ("Security Instrument") is made on NOVEMBER in 1999 (1999) (1999) The grantor is

MARGARET AZIZWAHLBORG and MARSHALL E. WILLIAMS seemath in all same seemed by this seemath instrument. without charge, an animal secounting of the Frinds, showing credits and debits to the Funds and the purpose for which each C.Bottowerly, The trustee is AMERITIALE powered, that increase shall be paid on the Funds. Length shall also to Sommer, abbressor succedances injected to be bridge range that he reduced in the Bostower success in the entires of the fends of 222 S 6TH STREET CHARLES OF FALLS, OR 97601 reson that broughes officeases from the street of the street ("Trustee"), The beneficiary is SOUTH VALLEY, BANK & TRUST charge for an independent assessment is reported as verifying the Escrow lients, indess I cuder pays fortower interest on the Fands and applicable law permiss benefit to make suchwhich is organized and existing under the laws of AN, OREGON BANKING CORPORATION and whose

address is PO. Box 5210. KLAMATH. FALLS., OR 97601 an France Foundation of the principal sum of One, Hundred Sixty, Nine, Thousand Nine, Hundred and no/100

Thirdeby in suddened by Borovania of Lands on the past of current data and Dollars (U.S., \$169, 900.00 and a This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on December 1, 2029 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 a passing or biobant mental amathemas: (1) to the property located in a passing or biobant mental amathemas. Lotin161 strunning Ty, RESORT, SuphASE 2, paccording to the cofficial plat thereof condities assess in the office of the County Clerk of Klamath County, Onegon in a source of the county of the County 2. Finish for Taxes and Insurance. Subject to amplicable bot or to a written warrer by Londer. Commen shall pay to

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UNIFORM COVENANTS. Burrower and Lender covenant and ances as follows.

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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."

CHECKBORROWER 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 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 items 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. 20 and 100 100 a federal agency, instrumentality, or entity. 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

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any twelve monthly payments, at Lender's sole discretion. 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

3803. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs this Security Instrument. 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.

830 4. 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. Form 3038 9/90

to the following mutress.

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.

11 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, now as the latter of the 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 of 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

10 30 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 I 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 immediately prior to the acquisition may be used by transmitting and one of one at the point of the prior of

10 116. 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 of Lender's security interest. Borrower may cure such a default and reinstale, 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.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, for 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 require y pourse me usual is past than the annual of the large service pourse, pourse 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

bayment manufacturing indicates papers as the many transfer and the control of th

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 rese ve

that Lender Tequities, provided by an insurer approved by Lender again becomes asubable and is obtained. But Louis 3038 3030 -cH(OR) (second) be required, in the option of Lender, in the properties there are desired section the amount of the children of being the children of being the children of t

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 cannot refuse a paint to the property the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property inimediately 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. 1833 and application of proceeds to principal shall not extend or 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 amortization 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 interest 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.

yment 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 to be severable.

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, 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.

obno If 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 and assess the design of the design of the security in the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the security in the security is the security in the

Property insured against loss by free, hazards meladed within the term "extended goverage" and any other or Form 3038 19/90 -GH(OR) (1920) 101 Property Institution Rottonice And Institution and the second state of the institution of

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

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

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

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

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: 20,117 Environmental Law, means federal laws and laws of the jurisdiction where the Property is located that

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 any covenant or agreement in this Security Instrument (but not prior to acceleration ionowing porrower's preach applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required 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 entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited

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 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.

23. Substitute Trustee. Lender may, from time to time, remove Trustee and appoint a successor trustee to any Trustee appointed liereninder. 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 and as it the index(s) were a part of this security herein.

25cm 24. Attorneys' Fees. As used in this Security Instrument and in the Note, "attorneys' fees," shall include any attorneys' fees awarded by an appellate count instrument. If one or more rights are executed by Bearon er and recorded to Form 3038 9/30

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25. 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 each such rider shall be incorporated into and shall amend and supplement

but Graduated Payment Rider of the Manned Unit Development Rider of Biweekly Payment Rider. ber br Balloon Rider | ber 300 teconquiton of Rate Improvenient Rider and beauty Second Home Rider 22. Reconveyince, Upon payment of all soms secured by this Security Instrument Lender shall require fruste as reconvey the Property and shall surrender this Security fratement and all rouge evidencing their secured by this Security fratement and all rouge evidencing their secured by this Security harding to the person of persons lending entired to it. Such property and surrender the second population of the logical payment of the person of persons lending the first second population in Such Principles.

not limited to reasonable Trustee's and atternets free; (b) to all sams secured by this Security instruction and (c) one therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including how 62th BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and

the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check abblicaple pox(es)] but conveyance of the Property, the successor trustee shall shareful to all the title, por Condominium Rider

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(Seal)

-Borrower

## 20 - 20 TO 2002 PLANNED UNIT DEVELOPMENT RIDER AP# WAHLBORG THIS PLANNED UNIT DEVELOPMENT RIDER is made this day of and is incorporated into and shall be NOVEMBER, 1999 deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security mInstrument?)(of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to SOUTH VALUEY BANK 18 TRUST was the effect of rendering the public happing insurance concerned Association; or (iii) termination of professional management and assumption of self-management of the Owner (the ext Lender"), of the same date and covering the Property described in the Security Instrument and located at: (ii) any amendment to any provision of the "Constituent Documents" if the provision is for the condemnation or entirent domain; by law in the case of substantial destruction by the or other casualty or in the case of a destay be-(1) the appropriate 1546 (KESTREL) ROAD, KLAMATHEFALLS, OR 97601 (Grant Berlin) prior written consent, either partition or subdivi [Loberth Addiesy] in consent to: The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the same secural in the (the conDeclaration") [4] The [4] Property b(is) at part 11 of mark planned [4] unit development known as DERUNNINGOY. ORANGH RESORT TOWNER'S MASSOCIATION PER EXPENDED OF SHEET OF BEDDELY D. Condenuation. The proceeds of any award or claim for desinges, direct are consequential, exicut of coverage to Leader. [Name of Planned Unit Development] (the "PUD")? The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the ? uses! benefits and proceeds of Borrower's interest. BELLEW PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, |- Borrower and Lender further covenant and agree as follows: beath and become beautiful to PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Pocuments The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) vany by laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when Idue, all dues and assessments imposed pursuant to the Constituent Documents: he engage to the (ii) Borrower's obligation under Uniform Coverant 5 to maintain hazzed insurance correspondent MULTISTATE PUD RIDER : Single Family - Fannie Mae/Freddie Mac UNIFORM; INSTRUMENT Form 3190 9/90 (i) Lender warves the provision in Unibade Lot 3min 2 for the month jujujes. AND 16 -70 (9705),01 (1 MW.05/97.01) VMP MORTGAGE FORMS - (800)521-7291 (1976) which provides insurance enverage in the amounts, for the periods, and against the hazards Lender insurance carrier, a "master" or "blanket" policy insuring the Property which is sa B. Hazard Insurance, So long as the Owners Association maintains, w

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and as a security

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association bolichitier rules or regulations of the Owners Association. Borrower that proupily play, when

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage brosided by the master of planket bolich, and Documents, are the (i) Decheration;

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property; or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and History of Mesonal Great Devel grants

extent of coverage to Lender. D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10; quality of 10

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain:

(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the exbless/penetit of Tengel late and covering the Property described in the Security instrument and because

(iii) termination of professional management and assumption of self-management of the Owners

20011(iv)tany[action] which would have the effect of rendering the public liability insurance coverage Association; or maintained by the Owners Association unacceptable to Tender (10 Boulones) to acome pounded a voice to decined to amend and supplement the Morigage. Deed of Trust or Security Deed (the "Statemy NOVEMBER, 1999.

THIS PLANNED UNIT DEVELOPMENT RIDER is made this

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F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

(Seal) -Borrower	1	_(Seal) Borrower
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AP# WAHLBORG

LN# 830162062

## SECOND HOME RIDER

THIS SECOND HOME RIDER is made on this 19 day of NOVEMBER, 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" whether there are one or more persons undersigned) to secure Borrower's Note to SOUTH VALLEY BANK & TRUST,

, (the "Lender") of the same date and covering the property described in the Security Instrument (the "Property"), which is located at:

## 11546 KESTREL ROAD, KLAMATH FALLS, OR 97601 [Property Address]

In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree that Uniform Covenant 6 of the Security Instrument is deleted and is replaced by the following:

6. Occupancy and Use; Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, and shall only use, the Property as Borrower's second home. Borrower shall keep the Property available for Borrower's exclusive use and enjoyment at all times, and shall not subject the Property to any timesharing or other shared ownership arrangement or to any rental pool or agreement that requires Borrower either to rent the Property or give a management firm or any other person any control over the occupancy or use of the Property. 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 and use of the Property as a second home. 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

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Second Home Rider.

ned in this	Salar to this terms and provisions contain
(Seal) -Borrower	MARGARET A. WAHLBORG Wallon
(Seal) -Borrower	MARSHALL F. WILLIAMS
(Seal)	
-Borrower (Seal) -Borrower	

MULTISTATE SECOND HOME RIDER—Single Family—FHLMC UNIFORM INSTRUMENT ISC/CRID\*\*//0195/3890(0990)-L Page 1 of 1 Fo

Form 3890 9/90
State of Oregon, County of Klamath
Recorded 11/22/99, at // 3/4 m.
In Vol. M99 Page 4 6 300
Linda Smith,
County Clerk Fee\$ 550