

description by the side of the Mongovia May claim the FALL'S encountraines of tecord. Bostower warrants and which has the address of 1992 to Mongovia is made and the side of Deed 1 of 9. (HW. and 30 001/11 Fig. 1) the interpretation of the property and all east the right to grant and observed by the Country of the property of the

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

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

1. Payment of Principal and Interest: Prepayment and Late Charges. Borrover shall promptly pay when due the

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 sold. 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 housing or brobatth missing lambda through the control of County, Oregon: Lot, 3, and Lot, 4, Block, 21, TRACT, NO 201127, NINTH, ADDITION TO, SUNSET, VILLAGE, Spring because according to the official plat thereof on file in the office of the County Clerk of was Klamathirconnt Auxon adolesurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to principal of and interest on the debt evidenced by the Nore and any prepayment and late charges due and other Nove.

applicable law requires interest to be paid, beinger shall not be required to pay florrower any interest of cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and provides otherwises United at cartains and reconstitution of transfer and reconstitution of transf ("Trustee"), The beneficiary is SOUTH, VALLEY, BANK & TRUST, charge for an independent real exists are resource estated Acuthing the factow literal niness render have not one time test on the langs and abbitchole have believe render to no general which is organized and existing under the laws of AN OREGON BANKING CORPORATION analysing the excess, and whose address is FRO Box 5210. KLAMATH FALLS, 10R 97601 or from pane results and above to be the form of the first of the form of the first of the

Authori charge an annual accomuna of the Lines' showing create and deput of the Lands and d

shall pay to Lender the amount necessary to hake up the deficiency. Botrower shall make up the deficiency in no more than time is not sufficient to pay the Escrow fiems when due, Lender may so notify Borrower in writing, and, in such case Borrower tor the excess Linux in accordance with the reduitements of applicable law. If the amount of the Lands held by treats a full CHARLES, Buildwall and SELENA, D. MASTEN additional security for all smits second by this security for the grantor is CHARLES. Buildwall and SELENA, D. MASTEN additional security for all smits second by this security for the grantor is

of the Property, shall apply any Funds held b DEED th OL oLL file. Let sale as a credit against the sums secured by Funds held by Lender, If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale Upon payment in full of all sums secured by this Security Instrument, Lender shall pramply reliad to Bottoner any twelve monthly payments, at Lender's sole discretion.

third, to interest due; rourth, to principal due; and last, to any late charges due under the Note. TAX 4 CCOUNT NAMES: first, to any prepayment charges due under the Note; second, to ansouns payable under paragraph 2: 3003-015CD-07200 first at any pressured character the worlder the Sota Court of received by Lender under paragraphs

3,460 Person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. these obligations in the manner provided in paragraph 2, or if not paid in that manner. Borrower shall pay them on time directly WECONIL'MEWBER Flority over this Security Instrument, and leasehold payments or ground rems, if any. Fortover shall pay 8301'64'eessi Liens. Borrower shall pay all taxes, assessments, charges, three and impositions attributable to the Property

SOUTH MALFELY BANK 18 "IRUSTITUM TO days of the giving of notice."

SOUTH MALFELY BANK 18 "IRUSTITUM TO days of the giving of notice. '82.601 unity Instrument. If Lender determines that any part of the Property is subject to a Ben which may attain priority over MHEN RECORDED WAIT TO CLARE to take hen in, legal proceedings which in the Lander's opinion operate to prevent the MHEN RECORDED WAIT TO (c) secures from the holder of the hen an agreement satisfactory to Lender sobordinating the Hen to SOUTH WALLEY DBUNK OF TRUSTion secured by the fien in a manner acceptable to Lender: (b) convers in good faith the fier KO'BOX'-2510's Krawathe Wrff2's to Borrower shall promptly furnish to Lender receipts evidencing the payments.

\*\*ALLINGODE BOX'-2510's Krawathe Lyff2's to Borrower shall promptly furnish to Lender receipts evidencing the payments. (4) agrees in

to the following address.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now for 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."

OBSCIONATION TO THE PROPERTY OF THE PROPERTY O 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 Finds 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

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

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; this Security Instrument.

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

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.

to the following address,

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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, Longer in an or any har an including the land and the land

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; 10, 10 and of muUnless 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 11 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 make this return of toquend of memory most most the Most of the introduction of the Property; Borrower's Loan Application; Leaseholds. 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 externating 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; on otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may

the date of occupancy unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless externating, circumstances, exist, which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property ito 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 on 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 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 in 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 of the covenants and agreements contained in Property. If Borrower fails to perform the covenants and agreements contained in

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding 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

Listing in the stringer in minediately before the taking, onless Borrower and Lender otherwise agree in writing the same secured by this Security, Instrument, included in the language of the taking is the same of the amount of the same secured by the date of disparsement, at the Note tate, and spall be based with interest, about notice from Fender to Borrower secured by this payment at the Note tate, and spall be based in writing of mineral amount of the same secured by the payment at the Note tate, and spall be based in writing of mineral amount of the same secured by this based of disparsement, at the Note tate, and spall be based in writing of mineral amount of the same secured by this payment in the same secured by the same secured

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 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 yeartly 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 Lender, required, by an insurer approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained. Bor Lower approved by Lender again becomes available and is obtained.

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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.

19. 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.

602 (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, crafts reduced physiquet labers of cases to be unaffect portoned span basing beautiful in the eyent of a total taking of 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 immediately before the taking is equal to or greater than the amount of the sums secured by 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 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 1174 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 of 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 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 and if the restoration or repair is economically leasible and Lender's acquirity

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. and remarks and remarks.

obtrolf 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 the interpretation of the period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

Property insured against loss by first hazards included within the term "extended coverage" and any other hatem 3038/18/80 -eHiouriasedror Property Insurance, Burrower shall bed 4 of the manuvements now externe to the contract lugited Carl 2000

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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 Hazardons 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

storage on the growing state quantities of the Property.

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

As used in this paragraph 20, "Hazardous Substances" 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 20,113 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 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 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's 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

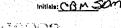
permitted under applicable law.

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 apon Drustee herein and by applicable law out as if the rider(s) were a part of this Security Instrument

24. Attorneys' Fees. As used in this Security Instrument and in the Note of attorneys' fees, shall include any attorneys' fees awarded by an appellate court ustrainent. It one or more riders are executed by Borrower and recorded to Form 3038 9/90





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
the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.  [Check applicable box(es)] our council me bloosts in a successor makes shall succeed to an area that the successor makes the suc
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biologic Graduated Payment Ridering to a thirty Planned Unit Development Riderices [11] Biweekly Payment Ridering to a thirty Planned Unit Development Riderices [12] Biweekly Payment Riderices [13]
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reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument and all notes evidencing debt secured by this Security Instrum. A.V.B.[94] A.V.B.[94] Thistee shall reconvey the Official Partianty to the person of persons regulty emitted to it. Such
excess to the person or persons legally cutitled to it.  22. Reconveyance. Upon payment of all sums secured by this Security Justituming. Lender shall request Trisses to
not limited to/reasonable Trustee's and attorneys' fees; (b) to all sams secured by this Security Instrument; and (c) any
expr. BA. SIGNING. BEROM. Bottomer accepts and agrees to the sterning and concurred in this Security Instrument and therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but
binder at the time and place and under the terms designated in the fire states and in the (Seal) and the times and place and under the terms designated in the season of the fire states. Trustee may postpone sale of all or any purchase the freperty at an entering an antique of any perchase the freperty at an entering in any purchase the freperty at an entering in any purchase the free party at any corence or warranty.
Minesses electronices. Trustee may postpone sale of all or may perfect the response may promise may postpone sale of all or may perfect the response may be a made of the later.
required by applicable taw, Trustee, without demand on Borr-CHARLES! Bit MAZLEN ray at multic auction to the Borrock and the Country of the Borrock of the B
If Lender invokes the power of sale, Lender shall excluding the control notice (Seal):  accurrence of an event of default and of Lender's election to the Property by Manager and Sell cause such notice to the second facilities of the sale in the control of the 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 deniand on BorrCHURTESI Bit MUSLENarty at multic accion to the Borrows.
a require invokes the puree of all redees such as the Property by the state of the cause such notice to
to consumplifying the and code of title enigency SELENA D. MASIEN
further demand and may invoke the power of sale and any other remedics permitted by applicable law. Lender shall be smithed to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, dictading, but not bingled
usiense or frorrower to acceleration and said, is the (Seaf). It is not cured on or before the date specified in the i(Seaf). Lender, at its option, may require immediate payment in full of all sams secured by this Security Instrument without
secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the public to reinslate after acceleration and the right to bring pounds, action to assert the non-existence of a default or arbonner.
(d) that fulface to core the default on or belock he date specified in the notice may result in acceleration of the sums conjugately this Security Instrument and cate of the Property. The notice shall further inform florrower of the right to
<b>SLATE OF OKEGON's</b> otherwise). The rate of shall energy: (a) the default; (b. Count's 22, required to care the default (c) a date, not less than 30 days from the less than 30 days from the less than 30 days from the less the date specified in the notice way result in acceleration of the same (d) that failure to ence the default on or below the date specified in the notice way result in acceleration of the same
of anountility of agreement and other security instrument (but not prior to accel bersountly abbeared the above named
of anonimisation or afraction and SELENARD SPINASTEN order further covering the acceleration following compared the above named charles? Beild SELENARD SPINASTEN order further covering and agree as follows:
relate to penjuly sujets or environmental brotection.  the foregoing instrument to be sensit from the irrespectant voluntary act and deed in spicion where the property is posted that
pesuciaes and nethiciaes, youthue solvents, materials containing aspestos of formandeny definite transfers, acromiss, assistant by
MÀ Commission Exbites: 12 1010 na 200 Ness substances are those substances defined as toxic se hazagious substances by Queen Repute Seal in this paragraph 21 15 1010 na 200 Ness gasoline, k Betoie mether flammable of toxic periodecias products, toxic
any remayakog omer remgammon of any Hazardous Substance adecung by Frofythy is new Sany Borrower shan promptly take all necessive veinedial actions in accordance with Fovironal trav
of which Charles are seen as the first of th
Hor which the comparation of any Hazardous Substance affecting in Professional actions in accordance in accordance of any Horal Language of Comparation of C
storage of the commission exhiberannon 5001 interactions. Substances, that are generally recognized to be a propriate to home a residentic has a commission not 305812 roper.
Property that is in violential from Example Law. The preceding two sementes shall not apply to the cessure, use for
20. Hazardous Substances. Borrower shall not cause or permut the pressure, use, disposal, stonege, or release of any fighter than 10 million anyther else to do, not tale property. Borrower similar do, not allow anyther else to do, not the property. Borrower similar do, not allow anyther else to do, not the property.
information required by applicable law
address of the siew Lord Servicer and the address to which payments should t State of Oregon, County of Klamath and
address of the new Loan Servicer and the address to which payments should the state of Ocedon's County of Klamath and or more changes of the Loan Servicer unrelated to a sale of the Note. It there is Recorded 11/28/99, at 9/0/c.m. be
address of the new Loan Servicer and the address to which payments should state of Oregon, County of Klamath of more changes of the change in accordance with paragraph 14 above and a State of Oregon, County of Klamath and or more changes of the Loan Servicer unrelated by a safe of the Note 18 ficts is Recorded 11/29/99, at 9/0/2 m. He are the Loan Servicer unrelated by a safe of the Note 18 ficts is Recorded 11/29/99, at 9/0/2 m. He are the Loan Servicer unrelated by a safe of the Note and In Vol. M99 Page 46 880 me
19. Sale of Note; Change of Lour Servicer. The Note of a patrial in Contact Clerk.  Instrument) may be sold one of more times without prior notice to Borrower. A Finga Zuitti.  as the "Loan Servicer" that confects mouthly payments due under the Note and In Not Maa. Servicer of the contact in a sale of the Note. Is there is Seconded 11/5/bab at 8/10/6 m. The given written notice of the change in accordance with paragraph 14 above and at State of Ocedon' Contact of Recording and a address of the note. In the state of Ocedon's Contact of Recording the address of the note. In the change in accordance with paragraph 14 above and at State of Ocedon's Contact of Recording and a ddress of the new Loan Servicer and the address to which payments should the services and the address to which payments should the services and the address to which payments should the services and the address to which payments should the services and the address to the services and the address to which payments should the services are serviced and the services and the services and the services are payments.
obligations secured hereby shall remain fully effective as if no acceleration had recurred. However, this right to achieve shall remain fully effective as if no acceleration had recurred. However, this right to achieve shall be case of acceleration under paragraph 17.  19. Sale of Notes Change of Loan Servicer. The Note of a partial in County Clerk. Lee\$ 32.00 instrument) may be sold one or more times without prior notice to Horrower, A Finda Switth as the "Loan Servicer" if that collects mouthly payments due under the Note and IU Aol Wab Lade 48.80 in the action notice of the change in accordance with paragraph 14 above and a street is street in the lade and the address of the loan Servicer and the address to which payments should accorded 115.200.
that the lieu of this Security Instrument. Lender's rights in the Property and Borrower's obligation to put the state secured by this Security Instrument shall continue unchanged. Open reinstaintened by Borrower, this Security Instrument and the obligations secured fletchy shall remain fully effective as if no acceleration had occurred. However, this right to reinstance had not apply in the case of acceleration under pringraph 17.  19. Sale of Notes Change of Lour Servicer. The Note or a partial in County Clerk. Lee\$ 32.65  Instrument) may, be sold one or more times without prior notice to Borrower, A Finga 2 with as the "Lour Servicer" fluit coilects mouthly proments due under the Note and In Not Maa Labor and or note changes of the Loan Servicer unrelated to a sale of the Note. Is tree is State of Ocedon's County of Riamann and the address of the loan Servicer and the address to which payments should a state of Loan Servicer and the address to which payments should
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Lender all sums which then would be due under this Security fustranean and the Note es if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incinited to enforcing this Security Instrument, including, bythough the teasonable attorbeys' lees; and (t) takes each action as Lender may reasonable attorbeys' lees; and the that the lieu Dights Security Instrument, Lender's rights in the Property and Borrower's obligation to not some scared by this Security Instrument, Lender's rights in the Property and Borrower, so obligation to not some secured interply shall remain fully effective as if no acceleration had recurred. However, this reduction and the not apply in the case of acceleration under paragraph 17.  [9] Sale of Note, Change of Loan Servicer. The Note of a partial in County Clerk  Lee\$ 32.65  Instrument) may, be sold one or more times without professionance to Borrower, A Tinga Zuith' as the "Loan Servicer" fullar collects mouthly payments due under the Note and In Not Mah and Alone with the content of the changes in accordance with paragraph 14 above and a State of Ocean't County of Klamath and address of the loan Servicer and the address to which payments should the address to the address of the loan Servicer and the address to which payments should the address to the address of the loan Servicer and the address to which payments should the address of the address to the payments should the address to which payments should the address of the address of the address of the address of the boar Servicer and the address to which payments should the address of the address of the content and the address to which payments should the address of the content and the address of the conte
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