

which has the address of 138720 BATMBOM CIRCLE To GITCHLIST and the neumbrances of record. Borrower warrants and which has the address of 1970 BATMBOM CIRCLE TO GITCHLIST and the neumbrances of record. OLEGON Studies and the Troperty is improved and in easily and all eases the "Property," and all eases the "Property of the property is included to the property of the propert

variations by Juristletion to constitute a multorn security instrument covering real property. THIS SHOURITY INSTRUMENT combines uniform coverants for national use and hon-uniform coverants with limited

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

principal of and interest on the debt evidenced by the Note and any prepayment and late charges due mater the State 1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall principally 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 earlier, due and payable on which the full debt, if not paid earlier, due and payable on which the full debt, if not paid earlier, due and payable on which the full debt, if not paid earlier, due and payable on which the full debt, if not paid earlier, due and payable on which the full debt, if not paid earlier, due and payable on which the full debt is the full debt. 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 maximum to brobe the most t_0 and t_0 and t_0 and t_0 and t_0 and t_0 and t_0 are county, or regions Lot. L15, of, TRACT, 1318, and GLEHRIST, TOWNSITE, a according to the official oplatical platical points of the County, Clerk of Klamath, County, Oregon Laure 1000 and 2. Fruids for Taxes and Insurance, Subject to applicable law or to a sertical waiver by Letalet. Begins is 1918 pay as

Checkers, The transes is the Funds are picted as additional scenary for all sums scenard by this forming this range and the purpose in which each between the Purpose in the Purpose in which each between the Purpose in the Purp ("Hurstee Nature poneticiata its Sonth: APLEAT BANK & TERRIT for an independent real estate tax reporting service ASS WAIN'S LEET THE WEWAITH LEATER TO be paid, Lender small not be required to pay Borrower any injected or earnings on the Fours. which is organized and existing under the laws of AN OREGON BANKING CORPORATION analyzable the excess and whose address is PO Box 5210 is KLAMATH FALLS in OR 97601 and Home From Bank Product on the second whose address is PO Box 15210 is KLAMATH FALLS in OR 97601 and Home From Bank Product only box the large to box the Seventy Five Thousand and mo/100 bilicaple (and product of the large of the principal sum of Seventy Five Thousand and mo/100 bilicaple (and product of the large of the principal sum of Seventy Five Thousand and mo/100 bilicaple (and product of the large o

twelve monthly payments, at Lender's sole discretion. shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than time is not sufficient to pay the Escrow flems when due, Lender may so notify Borrower in writing, and, in such case Borrower tot the excess Louds in accordance with the tedantenesis of abbitratic and it is a minimal of the Lands held of tender at an THIS DEED OF TRUST ("Security Instrument") is made on NOVEMBER 29 1999 and should accord the grantor is

of the Property, shall apply any Funds held b DEED in OL o LLEARLy sale as a credit against the sums secured 35 Funds held by Lender, If, under paragraph 21, Lender shall acquire or sell the Property, Lander, prior to the acquisition of side Upon payment in full of all sums secured by this Security Instrument, Lender smill promptly relied to Borrower any

third, to interest due; tourds, to principal due; and last, to any late charges due under the Note. TAX ACCOUNT NAMEES! Thest, to any prepayment charges due under the Note: second, to anounts payable under paragraph 2: 8887e0e plication of Payments. Unless applicable law provides otherwise, all payments received by Lender under penagraphs

16,460 serson owed payment. Borrower, shall promptly turnsh to Lender all notices of amounts to be taid under this paragraph. VCCOANT NAMES resulty over this Security Instrument, and leasehold payments of ground rems, if any. Rorrower 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 8301e3312ges: Clens. Burrower shall pay all taxes, assessments, charges, frees and impositions attributable to the Property

84.607 anny Instrument: It Lender 1880; DECS and Bly mut of the Property is subject to a hen which may attain priority user 180 Box 12510 Tre WHATTENS BONK TEACH OF the for the or take one or 180 Box 12510 Tre William Of days of the giving of notice. entorcement of the hent or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the first to bo Box 25570 s Krawy He Lyri's stip Botrower shall promptly furnish to Leader receipts evidencing the payments.

bo Box 25570 s Krawy He Lyri's stip Botrower shall promptly furnish to Leader receipts evidencing the payments.

VALLE DEVINE TO THE PROMPT Source any lieu which has priority over this Security Instrument unless Borrower. (a) agrees in SONIH "AVEREY BEAVE 8° I BOT Join secured by the lieu in a manner acceptable to Leader; (b) concess in good laid) the lieu manner acceptable to Leader; (b) concess in good laid) the lieu manner acceptable to Leader; opinion operate to proven the ment of the lieu in the Leader's opinion operate to proven the concernent of the lieu in the leader.

to the following address.

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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements appurtenances; and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

OICE BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will

defend generally the title to the 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 any 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 seg. ("RESPA"), unless another law that applies to the Funds sets, a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items, Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender, may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds, was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than

twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2;

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

330 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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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.

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 and it all of the borrower of the insurance carrier and Lender.

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.

of unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the die date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 2 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 the country of the property prior to the acquisition of the security Instrument immediately prior to the acquisition make the country of the property of the property in the property in the property in the payments of the security Instrument immediately prior to the acquisition of the payments of the paymen

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

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 7, Lender does not have to do so acquire to prote the capture was not a great and the paying the sum of the paying the sum of the paying the sum of the paying the payi

psionAny, 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 inotice from Lender to Borrower requesting payment, with interest, upon inotice from Lender to Borrower requesting payment, with interest, upon inotice from Lender to Borrower requesting payment, with interest, upon inotice from Lender to Borrower and payment, which is a supplied to the payment of the second payment.

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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.

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.

100 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 spall perbaid to: Tenderverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to

In the event 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 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, and 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 researched to the payment of the monthly payments.

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 successors are assigns bound; Joint and Several Liability; Co-signers. 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 of 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 the control of the Property Address:

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 on 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 ed. It the restoration of this security is not provided in the note are declared.

16: Borrower's Copy: Borrower shall be given one conformed copy of the Note and of this Security Instrument, and of the Transfer of the Property on 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 all or any part or the Property or any interest in it 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.

obtro 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 amounts on the amounts and for the benode

Property insured ngainst loss by fire, hazards included within the term "extended coverage" and pay other he Lorm 3038/3/30: -EHIOBERSSON Property Insurance. Borrower shall belegate improvements now existing of horeatter charges of the

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other

information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal

residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or 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 20,107 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 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 facte 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 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 liereunder. 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 length as 11 the right (2) Make a hart of the geometry positions of

25cm 24. Attorneys' Fees Assused in this Security Instrument and in the Note; "attorneys' fees," shall include any attorneys' tees awarded ph an abbellage countinstrument. If one or more riders are executed by Borrower and recorded to Low 3038 330

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information required by applicable law. given wither notice of the claime 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 or more changes of the Loan Servicer unrelated to a sale or the Note. If there is a change at the Loan Servicer, Borrower will be as the "Loan Servicer") that colleges monthly payments due under the Note and this Security Institutent. There also may be one Instrument) may be sold one or more times without prior notice to Borrower. A sale mey result in a change in the cutity (known 19. Sale of Note; Change of Loan Servicer, The Note of a partial merest in the Note transliter with this Securit not apply in the case of acceleration under paragraph 17. this Security Instrument shall continue unchanged. Upon, reinstatement by Borrower, this Security, Instrument and the obligations secured hereby shall remain fully effective as it no acceleration had occurred. However, this right to retustate shall that the lieu of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the same secured by including, that not limited to, reasonable attorneys' less; and (d) takes such action as Lender may reasonably require to assure cures any default of any other coverious or agreements; (c) pays all expenses meuried in enforcing this Security Instrument, Lender all sums, which then would be due under this Security Instrument and the Note as it no acceleration had occurred: (b) Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are finit Borrower: (a) pays applicable less may specify for reinscuement) before sale of the Property pursuant to any power of sale continued in this 18. Borrower's Right to Reinstate. If horrower meets certain conditions, horrower shell tuve the right to have enforcement to this Security instrument discontinued at any time prior to the earlier of (a) 5 days (or such other period as

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 Consequence of the property. Borrower shellength, nor allow anyone are to do anythi Loum 3038) 3/30 20. Hazardous Substances, Borrower shall not cause or permit the presence use, disposit, storage, or release of any

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For Commission of 30833, Vr. Men, notice of any Moral, happing to Ocean definition of the respect of will be any sold of the respect of will be set of the control of the co

relate to health, safety or environmental protection. the foregoing instrument to be sairal Tahis / ter least voluntary act and deed a requirement to be sairal Tahis / ter least quality and deed a requirement to be sairal Tahis / ter least quality and deed a requirement to be sairal Tahis / ter least quality and deed a requirement to be sairal Tahis / ter least quality and deed a requirement to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal Tahis / ter least quality and the foregoing instrument to be sairal to the foregoing instrument to the fore Official seed in this narray of the Englances are those substances defined as toxic or hazardous substances by M. Commission exhibits the full substances, gasofine, k.Betote me, then dammable or toxic petroleum products, roxic pesticides and herbicides, volatile solvents, many continuing asbestos or formaldehyde, and radioactive materials. As used in metrolegal transfer that the latest data in the continuity of the latest data.

to, reasonable attorneys fees and costs of title evidence.

It Lender invokes the power of sale, Lender shall execute or cause I rustee to execute a written notice (Seal), occurrence of an event of default and of Lender's election to cause the Property to be sold and shall enuse such notice to be courrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to the present and applicable law. After 18 and 10 other persons prescribed by applicable law. After 18 and in such solder at the time and place and under the terms designated by applicable law. After 18 and in such solder and the sold of the time and place and under the terms designated in the persons prescribed by applicable law. After 18 and 10 or any parces of the time and place and under the terms designated in the law of the law of

excess to the person or persons legally entitled to it. therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security instrument; and (c) any

the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

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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

ADDENDUM TO DEED OF TRU

The Darrows understands and agrees margor A, no. A lainteest rate set forth in the Note shall be in effect only if this bean is parentsed. Or if such purchase a recrusted the above of this shall nogar Ordinate and the interest rate may be increased to 8.000 % on annum, and the monthly installment of principal and interest may be uncreased to 8.500.32

The Lender intends to assign its rights under the attached Deed of Trust to the Oregon Housing and Community Services
Department, State of Oregon (the "Department"). In the event the Department accepts such assignment, the rights and
NACODIGATIONS OF the parties to the attached Deed of Trust are expressly made subject to this Addendum. In the event of any
conflict between the provisions of this Addendum and the provisions of the Deed of Trust or Note, the provisions of this
Addendum shall control.

I hereby exasent to the modifications of the terms of the Deed of Trust and Note which are contained in this Addendum.

- 1. As long as this mortgage is held by the Department, or its successors or assigns, the Lender may declare all sums secured by this mortgage to be immediately due and payable if:
 - a. all or part of the property is sold or otherwise transferred by Borrower to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal residence within a reasonable time after the sale or transfer, all as provided in Section 143(c) and (I)(2) of the Internal Revenue Code; or
 - (ii) who has had a present ownership interest in a principal residence during any part of the three-year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (I)(2) of the <u>Internal Revenue Code</u> (except that the language "100 percent" shall be substituted for "95 percent or more" where the latter appears in Section 143(d)(1); or

vision star? but it is not been a Notary Public in an analysis of the average area purchase price (greater than 110 percent for targeted area residences); all as provided in Section 143(e) and (D(2) of the Internal Revenue Code; or Virginia and Code; or Virginia a

(iv) who has a gross family income in excess of the applicable percentage of applicable median family income as a gross family income in excess of the applicable percentage of applicable median family income as

- Borrower fails to occupy the property described in the mortgage without prior written consent of the Lender or its successors or assigns described at the beginning of this Addendum; or
- c. Borrower omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code in an application for this mortgage.

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

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

WARNING

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

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

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

The Borrower understands and agrees that the above provisions and the interest rate set forth in the Note shall be irreffect only if this loan is purchased by the Department on its assigns. If for any reason it is not so purchased, or if such purchase is rescinded, then the above provisions shall cease to be effective and the interest rate may be increased to 8.000 % per annum, and the monthly installment of principal and interest may be increased to \$5.50, 32

per annum, and the monthly installment of	principal and interest may be increased to \$ 550.32
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I hereby consent to the modifications of the	terms of the Deed of Trust and Note which are contained in this Addendum.
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Date: 11-29-95	by this mortgage to be through due and aveblow
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