

which has the address of 14502. HIGHMAY 18 30 FOR KLAMATH FALLS, subject to any ensumbrances of record. Oregon NICOWIR 5.4603 NAME 1. Supervise the property of replacements and additions shall also be with the train and the property. The property of the property

variations by parisdictionate constitute a uniform security instrument covering real property. THIS SECURITY INSTRUMENT combines uniform coverants for national use and non-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 under the Note. 1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower, shall prohibly pay when due the

This debt. is exidenced 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 the full debt, if not paid earlier, due and payable on the full debt, if not paid earlier, due and payable on 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 partic or proberty promise (d) as any floor man County, Oregon: ZEESALIACHED DEXHIBIL WAR propriety siver this Security Instrument as a lieu on the Engreny; (b) yearly leasthoid payments Lender on the day monthly payments are due under the Note; wait the Note is paid in Julf, a sum ("Funds") for: (a) yearly taxes 2. Funds for Taxes and Insurance. Subject to applicable law or to a written payer by Leider. Borrower shall pay to

DAN ID THE FINE Sands RELLA Funktione ledged as additional security for all sums secured by this Security Instrument. (Bottomer.)) The trastee is WELTITIFE however, that interest shall be paid on the Fands are fact and paye to Borrower, without clarifier an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each SSS 'S CHARSTREET IN KLAMATH ENTRY ON SALED 400 Heads to pay Borrower any interest in earlings on the Funds ("Trustee"), The beneficiary is SOUTH: VALLEY, BANK & TRUST, charts for an independent scale state are reported services. verifying the Escrow lieus, unless Londer the Jays of AN OREGON BANKING CORPORATION and period the rouge such which is organized and existing under the Jays of AN OREGON BANKING CORPORATION. address is TRO Box 5210. KLAMATH FALLS, 10R 97601-14 Hour From gase renge and other to be the property of the party of the

twelve mouthly payments, at Lender's sole discretion. shalf pay to therder, the amount necessary to make up the deficiency. Borrower shalf make up the deficiency in no more than time is not sufficient to pay the Escrow Items when due, Lender may so north Borrower in writing, and, in such case florrower for the excess Funds in accordance with the requirements of applicable taw, If the Avocup of the Funds held by Lander at any THIS DEED OF TRUST ("Security Instrument") is made on DECEMBER that line 1011999 idea shall account The grantor is

of the Property, shall apply any Funds held b DEED in OL oLLGRAF side as a credit against the same secured by Finnds held by Lender, if it under paragraph 21. Lender shall acquire or sell the Property I ander, prior to the acquisition or sale ellpon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any

taind, to interest, due, fourth, to principal due; and last, to any late charges due under the Note LYX VCCONAL Mimbles! then, to any prepayment charges due undex the Note; second, to amounts proyable triblet paragraph 2: 201703 pplication of Payments. Unless w A Lena rode of Marie and Property of the Property of the Paragraphs

BO'BOX 25510 3 RTWATH'E POLY SOLD WET Shall promptly furnish to Lendar receipts evadencing the payments. [83/60] erson lowed payment. Borrower shall promptly furnish to Lender all honces of amounts to be read under this paragraph. these obligations in the manner provided in paragraph 2, or it not paid to that manner, Borroyce shall pay them on time directly VCCONTINUMBER COME, OVER this Security, Institution, and leasthold payments of ground reads. If my Borrower shall pay 830164202888; Lieus, Borrower shall pay all taxes, assessments, cliques, thes and hupositions attributable to the Property

82'80 Box 12510 turk FWATH LEARER 19 OBorrower a notice identity the fiew board with the fiew or take one of enforcement of the lient of (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to MHEN LECORDED WAIT 10 overheit of the tien in, legal proceedings which in the Lensler's opinion operate to prevent the SOUTH! NAT MEXWEAVE 18: TENSITION Secured by the tien in a manner acceptable to Lentier; (b) contests in good faith the fiew VALLN STIDENMAIL PROUDULY UISCHAFTER ANY UCH Which has priority over this Security Instrument unless Botrower; (a) rigrees in

to the following address. SOUTH WALLEYS BANKIL& aTRUSTIGHT 10 days of the giving of house. 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."

Oten 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. These items are called "Escrow Items." Lender may, at any, time, collect, and hold Funds in an amount not, to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time. 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any, time, collect, and hold Funds in an amount not, to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law questions.

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 Bscrow 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.

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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.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible of Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer, within 30, days, a notice from Lender that the insurance carrier has offered to settle a claim, then Lender, may collect the insurance proceeds in Lender, may use the proceeds to repair on 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: 100 of 100 on an 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 thange he 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 teliniq by regions the bringing oned only the Role of his market 10 g.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 Borrowe'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 flen created by this Security Instrument or Lender's security in crest. 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 acrees to the merger in writing.

Protection of Lender's Rights in the Property, it Borrower arts to perform the coverants and agreements contained in

Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this. Security, Instrument, for there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate; for condemnation or forfeiture or to enforce laws or regulations); then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys, tees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so construct the paragraph 17 shall; become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting

payment resumment ununequied petots be included in the second of 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, at a cost substantially equivalent to the substantially equivalent mortgage insurance previously in effect, at a cost substantially equivalent to the 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 yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as, a loss reserve in lieu of mortgage insurance. Loss reserve in the payments as a loss reserve in lieu of mortgage insurance.

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Carlotte of the control of Lender, if mortgage insurance coverage (in the amount and for the DING that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. But some 3038, 330.

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.

insurance ends in accordance with any written agreement between Borrower and Linde of applicance taw.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

[10] Condemnation! The proceeds of any award or claim for damages; direct or consequential; in connection with any condemnation or other taking of any part of the Property; or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, scraes redunce pa renger jabour or courses to be in edgest grounded spirit his discharge to the paid to the sums secured by this Security Instrument, 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. Borrower 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 payment or modification 11. Borrower Not Released: Forbearance By Lender Not a Waiver. Extension of the time for payment or modification 11. Borrower Not Released: Forbearance By Lender Not a Waiver.

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 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 Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 [Borrower's 'covenants and agreements shall be joint and several! Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges,

and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits; then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to to the perintted finite and (b) any spins; anteary conferred from Borrower watch exceeded perintted finits will be refunded (c). 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 finite of the standard of the

it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower/designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender spaddress 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 which the Property is located. In the event that any provisions of this Security Instrument or the Note which can be conflicts which 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 pe senerapped of if the restoration or repair is economically leasible and funder's security is not lessaged. If the regionation or 16 Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument of the

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. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. obtto 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 payithese 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 substance in the amounts and for the beateds permitted by this Security Instrument without further notice or demand on Borrower substance in the amounts and for the beateds Property insured against loss by fire, hazards included within the term "extended coverage" and any other la Lorm 3038 (3130) -eHiosi/(asosivor Property Insurance: Borrower shall bias, que are improvements now existing or horeafter appropria

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 5003 ()

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

all necessary remedial actions in accordance with Environmental Law.

(1) As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20,117 Environmental Law, means federal laws and laws of the jurisdiction where the Property is located that

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 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 shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons! shall pay any recordation costs: "Lender may charge such person or persons a fee for reconveying the Property; but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is

permitted under applicable law:

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Concommunation of the Length of the appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties

conferred upom Trustee herein and by applicable law out us it the rider(s) were a pair of this Security instrumout

25cm 24. Attorneys' (Fees. As used in this Security Instrument and in the Note, "attorneys' fees," shall include any attorneys' tees awarded by an appellate count instrument. It one or more triders are executed by Bottower and recorded to Leau 3038 also

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not apply in the case of acceleration under paragraph 17 this Security Instrument shall continue unchanged. Upon reinstatement by Borrover, this Security Instrument and the obligations secured hereby shall remain fully effective as it no acceleration had accurred. However, this right to refusive shall tist the lieu of this Security instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by including, butthet limited to, reasonable attorneys" tees; and (d) takes such action as Lender may reasonably require to assure cures any debunk of any other coverants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, Security Instrument: of (h) entry of a judgment enforcing this Security Instrument. These conditions are that Borrower (a) pays Lender all susps which them would be due under this Security Instrument and the Note as if no acceleration had occurred; (a) enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days the such other period as applicable law may specify for reinstancement) before sale of the Property pursuancia may power of sale contained in this 18. Borrover's Right to Reinstate. If Borrower meris certain conditions, Borrower shall have the right to have

information required by applicable his given written nodee of the change to accordance with paragraph 14 above and applicable law. The notice will state the name and address of the name (the police will also contain any other or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrover will be 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 (thrown as the Loan Servicer.) that collects monthly payments due under the Note and this Security Instrument. There also may be use

storage on the groperty of small communicated by group substance, there is specially recognized to be appropriet to normal eHiogh leganers on or in the Property. Borrower sheets are do, nor allow anyone else to do, anythi Lorun'30381.3/30. Property that is in violation of anyticing much law. The preceding two semeness shall not apply to the presence use, or 20. Hazardous Substances, Borrower shall not cause or pennit the presence, use, disposal storage, or release of any

Offices stratemental actions in accordance with Environmental Law.

Offices stratemental actions in accordance with Environmental Law.

Offices substances defined as texto or hazardons substances by MA Committee and texto or hazardons substances by WA Committee and texto perform products, toxic pesticities and licitatedes, volante colvents, managed committee and refrese from products, toxic pesticities and licitatedes, volante colvents, managed committee and refreshment and M. Whisson exists Hon 16 503 (ce of any Moral's trule for O Eou demand, Jaysant or other action by any MOLYMA in Britis O MESON, Mylving the front and the Little of the Control of the Co Bo we show and govern shall of which a Borre and any reproval of the showing tensoral of the showing tensor of t

and acknowledged relate to health, safety or environmental projection. the foregoing instrument to be course that he is a sequent yoluntary act and deed a speciation where the broken it is record that

DAN 19 KELLE 300 COVENANTS For Ever and Lander further covenant and agree as follows:

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Consider the first of the first of the datasets of a coelection of accelestion of accelestion for a contract the datasets of the agreement of Res.

ELVALE OB OBEGON'S of The first of the first of the datasets (b) Counts as a required to cure the datasets of the datasets of the core of the same secured by this Security instrument and safe of the capital of acceleration for a contract of the right to remain a data acceleration and the right to bring Bourges are shall further inform the right to refer the acceleration and the right to bring Bourges are one assert the non-existence of a default of a Bourge of the right to a contract the transfer acceleration and the right to bring Bourges are one assert the non-existence of a default of a Bourge of the right to a contract the transfer and the right and the right of the contract and the right of the right of the contract and the right

bidder at the time and place and under the terms designated in the Ace of the time and place and under the time and place and under the terms designated in the Ace of the Property of multiple announcement at the time in an interest selection of any previously scheduled sale. Lender or its despine that the froperty of any sale expressed segments to the froperty of any sale of the property of any sale of the sale in the followine orders of the sale in the followine orders. required by applicable lay; Trustec, without demand on Borr DAN BialKITINE e Property at public mection to the Bottomer reinstate after acceleration and the right to bring Exercit action to assert the non-existence of a ociatie or are incursed in the right to bring Exercit action to acceleration and said. It in (Seaf) it is not carred or or because the many require immediate payment in full of all stims secured by this Security fustrument without further demand and may invoke the power of sale and my other remains permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the reactions in this amore right. It including, but not timited to, reasonable attorneys' fees and costs of title evidence.

KETA V. KLINE

Boundard

The characteristic of an event of default and of Lender's election to cause the property of the shall cause such notice to be increded by applicable law to Borrower and to other payments in the shall are notice of sale in the remainer prescribed by applicable law. It astee, without demand on Borr DWA Malk KIVINE:

The contraction of the property is located by applicable law. Trustee, without demand on Borr DWA Malk KIVINE:

The contraction of the property at public arction to its Boundard.

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

[Check applicable box (es)] our conveyance of the Property, the successor trustee shall succeed to all the title, however a define Appropried Learner Canger 1997 to the telepha Lingue and ab 14 Family Rider Condominium Rider | Graduated Payment Riderig to a print | Planned Unit Development Riderigs | Biweekly Payment Rider | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | 156 | reconvey the Property and shall surrender this Security postaments and all mores evidencing debt secured by this Security to the Acking the Trustee shall reconvey in [Oilfel(2) [2860145] varianty to the person or persons legally entitled to it. Such 22. Reconveyance, Upon payment of all sums secured by this Security Instrument, Lender shall request trustee to

1662 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.

## EXHIBIT "A" LEGAL DESCRIPTION

Beginning at an iron pin on the East right of way line of the Klamath Falls-Merrill Highway which lies South along the Section line a distance of 912.6 feet, and East a distance of 30.0 feet from the iron axle which marks the West quarter corner of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon and running thence; continuing East a distance of 240.0 feet to an iron pin; thence North, parallel to the Section line a distance of 10.2 feet to an iron pin; thence South 69 degrees 43 East a distance of 289.56 feet to a post; thence South 42 degrees 18' West a distance of 151.1 feet to an iron pin; thence South 89 degrees 51' West a distance of 410.0 feet to an iron pin on the East right of way line of the Klamath Falls-Merrill Highway; thence North along the Easterly right of way line of the Highway a distance of 203.0 feet, more or less, to the point of beginning, being in the Northwest quarter of the Southwest quarter of Section 7, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon.

State of Oreion, County of Klamath Recorded 12/01/99, at 3/34 p.m. In Vol. M99 Page 174/68

Linda Smith,

County Clerk Fee\$ 4600