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After recording return to:

DOCU-FILE Inc.

Title and Escrow Company
3015 E. Skelly Dr., #253
Tulsa, OK 74105
918 742-4994

A #100
2653

Loan Number: 2111762259
TITLE NUMBER 15493A

Vol M05 Page 10062

State of Oregon, County of Klamath
Recorded 02/14/2005 11:51 a m
Vol M05 Pg 10062-80
Linda Smith, County Clerk
Fee \$ 11100 # of Pgs 19

MTC 67897

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DEED OF TRUST LINE OF CREDIT TRUST DEED

MAXIMUM PRINCIPAL TO BE ADVANCED: \$53,700.00

MATURITY DATE: JANUARY 28, 2025

MIN: 1000607-1000038928-7

DEFINITIONS

(A) "Security Instrument" means this document, which is dated JANUARY 28, 2005, together with all Riders to this document.

(B) "HELOC" means the Home Equity Line of Credit Agreement signed by the Debtor or Debtors, as defined below.

(C) "Credit Account" means the Home Equity Line of Credit pursuant to which the Lender makes advances to the Debtor at the Debtor's direction, allowing the Debtor to repay those advances and take additional advances, subject to the terms of the HELOC.

(D) "Account Balance" is the total unpaid principal of the Credit Account, plus earned but unpaid finance charges, and outstanding fees, charges and credit insurance premiums.

(E) "Credit Limit" means the maximum aggregate amount of principal that may be secured by this Security Instrument at any one time pursuant to the terms of the HELOC. The Credit Limit is \$53,700.00

Except to the extent prohibited by Applicable Law, the Credit Limit does not apply to interest, finance charges, and other fees and charges validly incurred by Borrower under the HELOC and this Security Instrument. The Credit Limit also does not apply to other advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

(F) "Maturity Date" is the date on which the entire Account Balance under the HELOC is due. The entire Account Balance on the HELOC Credit Account, as defined in the HELOC and this Security Instrument, is due on JANUARY 28, 2025.

(G) "Secured Debt" means:

- (1) The debt, interest, finance charges, and other fees and charges incurred under the terms of the HELOC and all extensions, modifications, substitutions or renewals thereof.

111.00
K22

(2) Any advances made and expenses incurred by Lender under the terms of this Security Instrument.

(H) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(I) **"Debtor"** is the party or parties who signed the HELOC dated JANUARY 28, 2005 . The Debtor may or may not be the Borrower.

(J) **"Borrower"** is MARIAN PUNGAN AND RAMONA PUNGAN, AS TENANTS BY THE ENTIRETY

the party or parties who have signed this Security Instrument.

Borrower is the trustor under this Security Instrument. The Borrower may or may not be the Debtor.

(K) **"MERS"** is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. **MERS is the beneficiary under this Security Instrument.** MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

(L) **"Lender"** is MILLENNIA MORTGAGE CORP.

Lender is a CALIFORNIA CORPORATION
and existing under the laws of CALIFORNIA

organized

Lender's address is 23046 AVENIDA DE LA CARLOTA #100, LAGUNA HILLS,
CALIFORNIA 92653

Lender's license number is

(M) **"Trustee"** is TI-COR TITLE, INS.
131 NO. EL MOLINO AVE., STE 130, PASADENA, CALIFORNIA 91101

(N) **"Prior Loan"** means a loan secured by a lien on the Property as of the date this Security Instrument, which lien has priority over the lien of this Security Instrument.

(O) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(P) **"Riders"** means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

☐ 1-4 Family
☐ Second Home

☐ Condominium Rider
☐ Planned Unit Development Rider

☐ Other(s)

(Q) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

(R) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(S) **"Property"** means the Property that is described below under the heading "Transfer of Rights in the Property."

TRANSFER OF RIGHTS IN THE PROPERTY

10064

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower, in consideration of the debt and the trust herein created, irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in the

COUNTY

of

KLAMATH

:

[Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A".
A.P.N. #: 3809-020DA-06000-000

which currently has the address of 1781 QUAIL RIDGE DRIVE

[Street]

KLAMATH FALLS

97601

("Property Address"):

[City]

[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property." Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

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. Debtor, Borrower and Lender covenant and agree as follows:

1. **HELOC Advances.** During the Draw Period described in the HELOC, the Debtor may repeatedly take and repay any advances that Lender makes to Debtor under the terms of the HELOC and this Security Instrument, subject to the terms that the HELOC and this Security Instrument impose. This Security Instrument will remain in full force and effect notwithstanding that the Account Balance under the HELOC may occasionally be reduced to an amount of equal to or less than zero.

Any amounts that Lender advances to Debtor in excess of the Credit Limit will be secured by the terms of this Security Instrument unless applicable law prohibits the same. Lender shall not be obligated to increase the Credit

Limit formally or to make additional Advances in excess of the Credit Limit stated in the HELOC even though the Credit Limit has been exceeded one or more times. The Draw Period may or may not be followed by a Repayment Period, as described in the HELOC, during which additional Advances are not available. During both the Draw Period and the Repayment Period the Lender may, at its option, make Advances from the Credit Account to pay fees, charges, or credit insurance premiums due under the HELOC or this Security Instrument, or make other Advances as allowed by this Security Instrument.

2. Payments. All payments shall be made in U.S. currency. Borrower and Debtor shall pay when due all Secured Debt in accordance with the HELOC and this Security Instrument. However, if any check or other instrument received by Lender as payment under the HELOC or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the HELOC be by a method of Lender's choosing. These methods include, but are not limited to: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Credit Account Billing Statement or at such other location as may be designated by Lender in accordance with the notice provisions in provided in this Security Instrument and HELOC. Lender may return any payment or partial payment if the payment or partial payments are insufficient to bring the HELOC current. Lender may accept any payment or partial payment insufficient to bring the HELOC current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. No offset or claim which Borrower or Debtor might have now or in the future against Lender shall relieve Borrower or Debtor from making payments due under the HELOC and this Security Instrument or performing the covenants and agreements secured by this Security Instrument. Payments shall be applied as set forth in the HELOC.

3. Charges. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any.

Borrower shall pay when due, or shall cause to be paid when due, all sums required under the loan documents evidencing the Prior Loan and shall perform or cause to be performed all of the covenants and agreements of Borrower or the obligor set forth in such loan documents.

4. Prior Security Interests; Liens. Borrower shall promptly discharge any lien, other than the Prior Loan, 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, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; 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 can attain priority over this Security Instrument, other than the prior loan, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth in this Security Instrument and HELOC.

Lender may require Borrower or Debtor to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this HELOC.

All of Lender's rights under this Covenant shall be subject to the rights of the Holder of the Prior Loan.

5. 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, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the HELOC. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount

of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Covenant shall become Secured Debt and subject to the terms of the HELOC and this Security Instrument.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the HELOC up to the amount of the outstanding account balance under the HELOC. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee and Borrower further agrees to generally assign rights to insurance proceeds to the holder of the HELOC up to the amount of the outstanding HELOC Account Balance.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the Secured Debt by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under the HELOC, this Security Instrument or otherwise, Borrower hereby assign to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the HELOC or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the HELOC or this Security Instrument, whether or not then due.

6. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower or Debtor any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the Secured Debt by

this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in the HELOC and this Security Instrument.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the Secured Debt by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the Secured Debt by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Secured Debt by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the Secured Debt immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the Secured Debt immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the Secured Debt 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 Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, and Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the Secured Debt by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower and Debtor shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. Borrower or Debtor can cure such a default and, if acceleration has occurred, reinstate as provided in this Security Instrument, by causing the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be otherwise applied in the order provided for in the HELOC and this Security Instrument.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower resides on the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of its obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Default. Borrower or Debtor shall be in default if, during the HELOC application process, or at any time during the term of the HELOC, Borrower or Debtor or any persons or entities acting at the direction of Borrower or Debtor or with Borrower's or Debtor's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the

HELOC or this Security Instrument. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

Borrower or Debtor is also in default if:

1) Borrower or Debtor engages in fraud or makes a material misrepresentation at any time in connection with Debtor's Credit Account or this Security Instrument; 2) Lender does not receive the full amount of any Minimum Payment due or Borrower or Debtor fails to meet any of the other repayment terms of this Agreement; 3) Borrower or Debtor's action or inaction adversely affects the Property or Lender's rights in it. Examples of these actions or inactions include, but are not limited to: a) Debtor's death, if Debtor is the sole person on the Credit Account; or the death of all but one Debtor or Borrower which adversely affects Lender's security; b) Illegal use of the Property, if such use subjects the Property to seizure; c) Transfer of all or part of the Borrower interest in the Property without Lender's written consent; d) All or part of the Property is taken by condemnation or eminent domain; e) Foreclosure of any senior lien on the Property; f) Failure to maintain required insurance on the Property; g) Waste or destructive use of the Property which adversely affects Lender's security; h) Failure to pay taxes or assessments on the Property; i) Permitting the creation of a senior lien on the Property other than a Prior Loan; j) Filing of a judgment against Borrower or Debtor, if the amount of the judgment and collateral subject to the judgment is such that Lender's security is adversely affected.

Lender may, at its option, take lesser actions than those described at the beginning of this Section. Such lesser actions may include, without limitation, suspending Debtor's Credit Account and not allowing Debtor to obtain any further Advances, reducing Debtor's Credit Limit, and/or changing the payment terms on Debtor's Credit Account. If Lender takes any such actions, this shall not constitute an election of remedies or a waiver of Lender's right to exercise any rights or remedies under the remainder of this section, the remaining provisions of this Agreement, the Security Instrument, or at law or in equity. Lender may take action under this Section only after complying with any notice or cure provisions required under applicable law. In the event Lender elects not to terminate the Credit Account or take any lesser action as provided in this Section, Lender does not forfeit or waive its right to do so at a later time if any of the circumstances described above exists at that time.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any Secured Debt by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Lender may without notice, perform or cause to be performed any covenant of Borrower in this Security Instrument, and Borrower appoints Lender as attorney in fact to sign Borrower's name. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take this action, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section.

Any amounts disbursed by Lender under this Section shall become additional debt of Borrower secured by this Security Instrument, payable according to the terms of the HELOC and this Security Instrument. These amounts shall bear interest at the HELOC rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment. 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.

10. HELOC Charges. If the HELOC is subject to a law which sets maximum HELOC charges, and that law is finally interpreted so that the interest or other HELOC charges collected or to be collected in connection with the HELOC exceed the permitted limits, then: (a) any such HELOC charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Debtor which exceeded permitted limits will be refunded to Debtor. Lender may choose to make this refund by reducing the principal owed under the

HELOC or by making a direct payment to Debtor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the HELOC). Debtor's acceptance of any such refund made by direct payment to Debtor will constitute a waiver of any right of action Debtor might have arising out of such overcharge.

11. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

12. Governing Law; Severability; Rules of Construction. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. In the event that any provision or clause of this Security Instrument or the HELOC conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the HELOC which can be given effect without the conflicting provision.

13. Borrower's Copy. Borrower and Debtor shall be given one copy of the HELOC and of this Security Instrument.

14. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the Secured Debt by this Security Instrument granted by Lender to Borrower or Debtor or any Successors in Interest of Borrower or Debtor shall not operate to release the liability of Borrower or Debtor or any Successors in Interest of Borrower or Debtor. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or Debtor or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

15. Joint and Several Liability; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who signs this Security Instrument but does not execute the HELOC: (a) is signing this Security Instrument only to mortgage, grant and convey the signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the Secured Debt by this Security Instrument; and (c) agrees that Lender and any other Debtor and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the signer's consent.

Subject to the provisions of the Security Instrument, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender.

16. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 16, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 11 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.

17. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender or causes Lender to be paid all sums which then would be due under this Security Instrument and the HELOC 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower or Debtor's obligation to pay the Secured Debt by this Security Instrument.

18. Condemnation. Borrower will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Borrower authorizes Lender to intervene in Borrower's name in any of the above described actions or claims. Borrower assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds shall be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any Prior Loan.

19. Financial Reports and Additional Documents. Borrower and Debtor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Borrower or Debtor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Borrower or Debtor's obligations under this Security Instrument and Lender's lien status on the Property.

20. Change of Servicer; Notice of Grievance. The HELOC or a partial interest in the HELOC (together with this Security Instrument) can be sold one or more times without prior notice to Borrower or Debtor. A sale might result in a change in the entity (known as the "Servicer") that collects the amounts due under the HELOC and this Security Instrument and performs other mortgage loan servicing obligations under the HELOC, this Security Instrument, and Applicable Law. There also might be one or more changes of the Servicer unrelated to a sale of the HELOC. If the HELOC is sold and thereafter the HELOC is serviced by a Servicer other than the purchaser of the HELOC, the servicing obligations to Borrower or Debtor will remain with the Servicer or be transferred to a successor Servicer and are not assumed by the HELOC purchaser unless otherwise provided.

Neither Borrower, Debtor nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower, Debtor or Lender has notified the other party and allowed the other party reasonable time to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph.

21. Hazardous Substances. As used in this Section: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else

to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

NON-UNIFORM COVENANTS. Borrower, Debtor and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's or Debtor's breach of any covenant or agreement in this Security Instrument or the HELOC (but not prior to acceleration under Section 16 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 Section 22, 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.

23. 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 HELOCs 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.

24. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

25. Attorneys' Fees. As used in this Security Instrument and in the HELOC, attorneys' fees shall include those awarded by an appellate court.

26. Protective Advances. This Security Instrument secures any advances Lender, at its discretion, may make under this Security Instrument to protect Lender's interest in the Property and rights under this Security Instrument.

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**BENEFICIARY REQUESTS NOTICE OF ANY ADVERSE ACTION
THAT A PRIORITY LIEN HOLDER TAKES WITH REGARD TO
THE PROPERTY, INCLUDING DEFAULT AND FORECLOSURE**

27. Required Evidence of Property Insurance.

WARNING

Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral 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 contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

R Pungan
RAMONA PUNGAN

(Seal)
-Borrower

Marian Pungan
MARIAN PUNGAN

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

Witness:

R Young

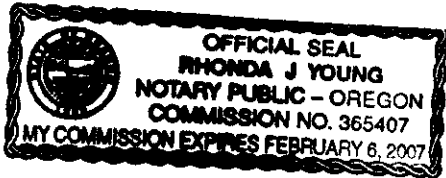
Witness:

[Space Below This Line For Acknowledgment]

State of Oregon

County of *Klamath*

This instrument was acknowledged before me on
by RAMONA PUNGAN, MARIAN PUNGAN

Jan 29, 2005

(Seal)

A handwritten signature in dark ink, appearing to be "Rhonda J. Young", written over a horizontal line.

Notary Public - State of Oregon

*1-29-05*My commission expires: *2-6-07*

ARBITRATION RIDER

READ THIS ARBITRATION RIDER CAREFULLY. IF YOU ACCEPT IT, IT WILL HAVE A SUBSTANTIAL IMPACT ON THE WAY IN WHICH YOU OR LENDER WILL RESOLVE ANY CLAIM WHICH YOU OR LENDER HAVE AGAINST EACH OTHER.

This Arbitration Rider, if signed and therefore accepted by You, is made a part of Your Loan Agreement with Lender. By signing this Arbitration Rider, You agree that, upon election by Lender or by You, any Claim shall be resolved by binding arbitration pursuant to this Arbitration Rider and the applicable rules then in effect of the Arbitration Administrator selected at the time the Claim is initiated. Acceptance of this Arbitration Rider by you is voluntary.

IMPORTANT NOTICE AND LIMITATIONS

If either You or Lender elects to arbitrate a Claim, neither You nor Lender will have the right to: (1) have a court or a jury decide the Claim; (2) engage in pre-arbitration discovery to the same extent that You or Lender could in court; (3) participate in a class action in court or in arbitration, either as a class representative or a class member; (4) act as a private attorney general in court or in arbitration; or (5) join or consolidate your Claim(s) with Claims of any other person. The right to appeal is more limited in arbitration than in court. Other rights that You or Lender would have if You or Lender went to court may also not be available in arbitration.

Section 1: DEFINITIONS

"Arbitration Administrator" means either the National Arbitration Forum ("NAF") or JAMS ("JAMS"), as selected according to the provisions of Section 2 of this Arbitration Rider.

"Claim" is to be given the broadest possible meaning, and shall mean any claim, dispute, or controversy, whether based upon contract, tort (intentional or otherwise), constitution, statute, common law, regulation, ordinance or equity, and whether pre-existing, present or future, including initial claims, counter-claims, cross-claims, third party claims and claims seeking relief of any type, including damages and/or injunctive, declaratory or other equitable relief, arising from or relating to this Loan Agreement or the relationships which result from this Loan Agreement, including, except for Excluded Claims or Proceedings as defined herein, the validity or enforceability of this Arbitration Rider, any part thereof or the entire Loan Agreement, and whether or not the Claim is subject to arbitration. Notwithstanding this broad definition of Claim, a Claim shall not include the use by You or by Lender of any self-help or non-judicial remedy, including but not limited to, acceleration of the Note upon the terms provided in the Note and/or Security Instrument, other non-judicial remedies provided in the Note and/or Security Instrument to protect Lender's rights, a non-judicial foreclosure or right of set-off, or any individual judicial action by a party that is limited to preventing the other party from using a self-help or non-judicial remedy and that does not involve a request for damages or monetary relief of any kind.

"Excluded Claims or Proceedings" means any of the following claims or proceedings, which will not be subject to this Arbitration Rider: (1) any individual action brought by You in small claims court or in Your state's equivalent court, unless such action is transferred, removed, or appealed to a different court; (2) any action to effect a judicial or quasi-judicial foreclosure; (3) any eviction or other summary proceeding to secure possession of real property securing a loan; (4) any action to assert, collect, protect, realize upon or obtain possession of the collateral for a loan in any bankruptcy proceeding; (5) any action to quiet title; and (6) any action insofar as it seeks provisional or ancillary remedies in connection with any of the foregoing. Notwithstanding the prior sentence, at Your request, Lender will agree to arbitrate under this Arbitration Rider any matter covered by item (1). **The use of the courts in connection with items (2)-(6) above shall not constitute a waiver of the right of any party to submit any Claim to arbitration, nor render inapplicable the compulsory arbitration provisions contained in this Arbitration Rider.** Lender will agree to a reasonable stay of court proceedings in connection with items (2)-(6) during the pendency of arbitration pursuant to this Arbitration Rider.

"Lender" means the Lender under the Loan Agreement and/or any assignee of the Loan Agreement, including any subsequent assignees, together with each of such Lender's and/or assignee's parents, subsidiaries, affiliates, successors or predecessors, and any past or present officers, directors and employees thereof.

"Loan Agreement" means the promissory note ("Note"), mortgage or deed of trust ("Security Instrument") and other documents executed by You in connection with Your loan with Lender.

"You" and **"Your"** means the borrower(s) and any person(s) who are permitted to assume the obligations of the borrower(s) under the Loan Agreement, and with each of such persons' heirs and executors.

Section 2: STARTING AN ARBITRATION

To start an arbitration, the party initiating the arbitration proceeding shall select and file a Claim with one of the following arbitration administrators: the National Arbitration Forum ("NAF") or JAMS ("JAMS"). Each of the Administrators maintains an Internet website, publishes pamphlets, and otherwise is available to answer frequently asked questions about arbitration. You can contact them and obtain rules and/or forms at: National Arbitration Forum, P.O. Box 50191, Minneapolis, MN 55405, www.arb-forum.com; or JAMS, 45 Broadway, 28th Floor, New York, NY 10006, www.jamsadr.com.

The arbitrator shall be a lawyer with more than ten years experience or a retired or former judge. The arbitrator shall be independent of, and unrelated to, You or Lender.

Section 3: LOCATION OF HEARING

Unless otherwise required by state law, any arbitration hearing that You or Lender request will take place in the city nearest to Your residence where a federal district court is located or at such other location as agreed by the parties.

Section 4: COSTS

If Lender files a Claim, Lender shall pay all filing costs.

If You file a Claim, filing costs and administrative fees (other than hearing fees), shall be paid as follows unless otherwise provided by state law:

- (a) You agree to pay for the initial cost of filing the Claim up to the maximum amount of \$100.00; and
- (b) at Your request, or if required by the Arbitration Administrator's rules, Lender will pay filing costs over \$100.00 and for any administrative fees charged by the Arbitration Administrator for a Claim less than or equal to Your loan amount. Any filing costs and/or administrative fees assessed for a Claim in excess of Your loan amount shall be paid by You.

Lender shall pay the cost of one full day of arbitration hearings. Fees for subsequent hearing days requested by You or by Lender will be paid by the requesting party. If the arbitrator requests more than one day of hearing, the parties shall share the cost of the additional days, unless another fee arrangement is directed by the arbitrator.

The parties shall each bear the expense of their respective attorney's fees, except as otherwise provided by law. If a statute gives You the right to recover any of these fees, or the fees paid to the Arbitration Administrator, these statutory rights shall apply in the arbitration notwithstanding anything to the contrary contained herein. If the arbitrator issues an award in Lender's favor, You will not be required to reimburse Lender for any fees Lender has previously paid to the Arbitration Administrator or fees for which Lender is responsible.

Section 5: GOVERNING LAW

This Arbitration Rider is made pursuant to a transaction involving interstate commerce and shall be governed by the Federal Arbitration Act, 9 U.S.C. §§ 1 *et seq.* (the "FAA"), and not by any state law concerning arbitration. The arbitrator shall follow applicable substantive law, to the extent consistent with the FAA, this Arbitration Rider and the Arbitration Administrator's rules, and shall be authorized to award all remedies permitted by the substantive law that would apply if the Claim was pending in court. All statutes of limitations and Claims of privilege that would otherwise be applicable shall apply to any arbitration proceeding conducted pursuant to this Arbitration Rider. The arbitrator shall, at the request of any party, provide written reasoned findings of fact and conclusions of law. In addition to the parties' rights to obtain information prior to the hearing under the Arbitration Administrator's rules, either party may ask the arbitrator for more information from the other party. The arbitrator will decide whether the discovery of such information is warranted in his or her sole discretion, after allowing the other party the opportunity to object.

Section 6: NO CLASS ACTIONS, PRIVATE ATTORNEY GENERAL ACTIONS OR JOINDER

Notwithstanding any other provision in this Arbitration Rider, if You or Lender elect to arbitrate a Claim, neither You nor Lender will, without written consent of the other party, have the right to: (1) participate in a class action in court or in arbitration, either as a class representative or a class member; (2) act as a private attorney general in court or in arbitration; or (3) join or consolidate Claims with Claims of any other person. The validity and effect of this Section shall be determined exclusively by a court and not by an arbitrator.

Section 7: EFFECT OF ARBITRATION AWARD

Any court of competent jurisdiction may enter judgment upon the arbitrator's award. The arbitrator's award shall be final and binding, except for: (1) any right of appeal under the FAA; and (2) awards of more than \$200,000 as provided herein. For awards of more than \$200,000, any party may appeal the award to a three-arbitrator panel appointed by the Arbitration Administrator, which will reconsider *de novo* any aspect of the initial award that is appealed. The panel's decision will be final and binding, except for any right of appeal under the FAA. Unless otherwise provided by applicable law or directed otherwise by the panel, the party requesting the appeal will pay the cost of the appeal unless the requesting party prevails on appeal.

Section 8: CONTINUED EFFECT OF ARBITRATION RIDER; SEVERABILITY; CONFLICTS

This Arbitration Rider shall survive: (1) any modification, extension or forbearance of the Loan Agreement; (2) Your full repayment of Your loan and/or termination of the Loan Agreement; (3) Lender's sale or transfer of Your loan; (4) any foreclosure or other legal proceeding by Lender to collect a debt owed by You; (5) the transfer of any property securing the loan; (6) Your bankruptcy (except where prohibited by applicable bankruptcy law); and (7) any rescission by You or attempt by You to rescind the Loan Agreement pursuant to any applicable law. If any portion of this Arbitration Rider or the Loan Agreement is deemed invalid or unenforceable under any law or statute, the remaining portions of this Arbitration Rider and/or the Loan Agreement continue to apply; provided, however, that if Section 6 of this Arbitration Rider is invalidated in a proceeding in which You and Lender are involved, this entire Arbitration Rider shall be null and void with respect to such proceeding. In the event of any conflict or inconsistency between the rules of the Arbitration Administrator or any other documents relating to Your Loan Agreement and this Arbitration Rider, this Arbitration Rider shall govern.

Section 9: ACKNOWLEDGMENT; SIGNATURES

BY SIGNING BELOW, THE PARTIES ACKNOWLEDGE THAT THEY HAD A RIGHT TO LITIGATE CERTAIN CLAIMS THROUGH A COURT BEFORE A JUDGE OR JURY, AND THAT THEY WILL NOT HAVE THAT RIGHT IF EITHER PARTY ELECTS ARBITRATION PURSUANT TO THIS RIDER, EXCEPT AS PROVIDED OTHERWISE HEREIN. THE PARTIES HEREBY KNOWINGLY AND VOLUNTARILY WAIVE THEIR RIGHTS TO LITIGATE SUCH CLAIMS UPON ELECTION OF ARBITRATION BY EITHER PARTY. THE PARTIES FURTHER ACKNOWLEDGE THAT THEY HAVE READ THIS ENTIRE ARBITRATION RIDER CAREFULLY, THAT THEY RECEIVED A DUPLICATE COPY OF THIS RIDER, AND THAT THEY ARE ENTERING INTO THIS ARBITRATION RIDER VOLUNTARILY AND NOT IN RELIANCE ON ANY PROMISES OR REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THE ARBITRATION RIDER.

R Pungan
RAMONA PUNGAN

(Seal)
-Borrower

Marian Pungan
MARIAN PUNGAN

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

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Exhibit "A"

**Lot 5 Block 2, QUAIL RIDGE SUBDIVISION, according to the official plat thereof
on file in the office of the County Clerk of Klamath County, Oregon.**

APN # 872029

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