

M05-69115

Klamath County, Oregon

11/15/2005 11:20:20 AM

Pages 14 Fee: \$91.00

RECORDING REQUESTED BY

**RECORDED AT THE REQUEST OF
ALLIANCE TITLE COMPANY**

WHEN RECORDED MAIL TO:

Joseph Bower
P.O. Box 1510
Hayfork, CA 96041

1st 699533

DEED OF TRUST WITH ASSIGNMENT OF RENTS

12387447-JMB

(This Deed of Trust contains an Acceleration Clause)

Loan # BROWN

This Deed of Trust (Security Instrument) is made on OCTOBER 28, 2005, the trustor is ROBERT F. BROWN (Borrower) The Trustee, ALLIANCE Title Company, and Beneficiary is Joseph Bower trustee of the Joseph Bower Living Trust dated December 8, 1993 whose address is P.O. Box 1510, Hayfork, Ca. 96041. (Lender)

Borrower owes to lender the principal sum of TWO HUNDRED AND FIFTY THOUSAND and no/100's dollars (US) \$250,000.00

This debt is evidenced by Borrower's note dated the same as this Security Instrument (note) which provides for monthly payments, with the full debt, if not paid earlier, due and payable on NOVEMBER 01, 2008. 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 the borrower's covenant's 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 KLAMATH County, OREGON.

SEE ATTACHED EXHIBIT "A" FOR DESCRIPTION.

Which has the address of: 15700 SEVEN MILE ROAD, FT. KLAMATH, OREGON 97626

*9.5 F
+5*

Together with rents, issues and profits thereof, together with all rights and interest of Trustor, to all appurtenances, easements, community interest and licenses, and to oil, mineral, gas, water certificates, and hydrocarbon rights, leases, and overriding royalties therein, and all of these whether appurtenances, riparian or appropriative, SUBJECT HOWEVER to the right, power and authority given to and conferred upon Beneficiary by paragraph 24 of the provisions incorporated by reference herein, to collect and apply such rents, issues and profits.

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

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property, that the Property is unencumbered except for the encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to 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. Payments 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, prepayment and late charges as provided in the note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by the 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 the Security Instrument as a lien on the Property; (b) yearly leaseholder payments of ground rents on Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items". Lender may, at any time, collect and hold funds in any amount not to exceed the maximum amount a lender for a federally related 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.-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 due on the basis of current data and reasonable estimates of future escrow items or otherwise in accordance with applicable law. The funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including lender, if lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying.

The funds, being reviewed annually, analyzing the escrow account, or verifying the Escrow Items, unless lender pays borrower 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 were made. The funds are pledged as additional security for all sums secured by this Security Instrument.

If the funds held by lender exceed the amount 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 escrow items when due, lender may so notify the 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 the 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.

1.APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by lender under paragraph 1 and 2 hereof shall be applied to lender first in payment of amounts payable to lender by borrower under paragraph 2 hereof, then to interest payable on the note, and then to principal of the note.

2.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 payments. Borrower shall promptly furnish to lender all notices of amount to be paid under this paragraph. If borrower makes these payments directly, borrower shall promptly furnish to lender receipts evidencing the payment. 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 lenders opinion operate to prevent the enforcement of the lien ; or (c) secures from the holder of the lien an agreement satisfactory to lender subordination 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 on or more of the actions set forth above within 10 days of giving of notice.

3. HAZARD AND 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 the lender requires insurance. This insurance shall be maintained in the amount 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. All insurance policies and renewal shall be acceptable to lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If lender requires, borrower shall promptly give to lender all receipts of paid premiums and renewal notices. In the event of loss, borrower shall give prompt notice to the insurance carrier and lender. Lender may make proof of loss is not made promptly by the borrower. Unless lender and borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the property damaged, if the restoration or repair is economically feasible and lender's security is not lessened. If the restoration or repair is not economically feasible or lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If borrower abandons the property, or does not answer with 30 days a notice from lender that the insurance carrier has offered to settle a claim, then lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the property to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when notice is given. 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 payments. If under paragraph 21 of 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.

4. OCCUPANCY, PRESERVATION, MAINTENANCE AND PROTECTION OF PROPERTY. Borrowers Loan application, Leaseholds. 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 the lender's good faith judgment could result in forfeiture of the property or otherwise materially impair the lien created by this Security Instrument or lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in lender's good faith determination, precludes forfeiture of the borrower's interest in the property or material impairment of the lien created by this Security Instrument or

false 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 leasehold, borrower shall comply with all 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.

5. PROTECTION OF LENDERS RIGHTS IN THE PROPERTY. If the borrowers fails to perform covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect lender's rights in the property (such as proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), the lender may do and pay for whatever is necessary to protect the value of the property and lender's rights in the property. Lenders actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the property to make repairs. Although lender may take action under this paragraph 7, lender does not have to do so. Any amounts disbursed by lender under this paragraph 7 shall become additional debt of borrower secured by this Security Instrument. Borrower shall pay immediately and without demand all sums so expended by Beneficiary or Trustee, with interest from date of expenditure at the rate prescribed in the Note.

6.MORTGAGE INSURANCE. If lender required mortgage insurance as a condition of making this loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in affect. 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 to one-twelfth of the yearly mortgage insurance premium being paid by the 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 payments may no longer be required, at the option of the lender, if mortgage insurance coverage (in the amount and for the period that the 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.

7.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 inspections

8.CONDEMNATION. The proceeds of an 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. In the event of a total taking of the property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to borrower. In the event of a partial taking of the property in which the fair market value of the property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount to 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 sum are then due. If the property is abandoned by the borrower, or if, after notice by lender to borrower that the contemnor offers to make an award or settle a claim for damages, borrower fails to respond to lender within 30 days after the date notice is given, lender is authorized to collect and apply the proceeds, at it's option, either to restoration or repair of the property or the sums secured by this Security Instrument, whether or not then due. Unless lender and borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

9.BORROWER NOT RELEASED, Forbearance by lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by lender to any successor in interest of borrower shall not operate to release the liability of the original borrower or borrower's successor's 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 demands made by the original borrowers 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.

10.SUCCESSOR AND ASSIGNS BOUND, JOINT AND SEVERAL LIABILITY, Co-SIGNERS. The covenants and agreements of the Security Instrument shall bind and benefit the successors and assigns of the lender and borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be several. Any borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing for this Security Instrument only to mortgage, grant and convey that borrowers interest in the property under the terms of this Security Instrument: (b) is no personally obligated to pay the sums secured by this Security Instrument: and (c) and agrees that lender and any other borrower may agree to extend, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that borrower's consent.

11.LOAN CHARGES. If the loan secured by this Security Instrument is subject to a law which set 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 chare shall be reduced by the amount necessary to reduce the charge to the permitted limit: and (b) any sums already collected from the borrower which exceeded permitted limits will be refunded to the borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to the borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

12.NOTICE. Any notice to borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the property address or any other address borrowers designates by notice to lender. Any notice to lender shall be given by first class mail to lender's address stated herein or any other address lender designates by notice to borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to borrower or lender when given as provided in this paragraph.

13.GOVERNING LAW, SEVERABILITY. This Security Instrument shall be governed by federal law and the law of jurisdiction in which the property is located. In the event that any provisions or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be Severable.

14.BORROWERS COPY. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

15. **TRANSFER OF PROPERTY OR BENEFICIAL INTEREST.** 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 options require immediate payment in full of all sums secured by this Security Instrument. However, this option shall be exercised by lender if exercise is prohibited by federal law as of the date of this Security Instrument. 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 of the notice is delivered or mailed within which borrower must pay all sums secured by this Security Instrument. If the 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.

16. **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 the 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 attorney's fees, and (d) takes such actions as lender may reasonably require to assure that the lien of this Security Instrument, lender's rights in the property and the borrower's obligation to pay the sums secured by this Security Instrument 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.

17. **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 the entity (known as the "Loan Servicer") that collects monthly payments due under this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of this 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.

18. **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 appropriated to normal residential uses and to maintenance of the property. Borrower shall promptly give lender written notice of any investigation, claim, lawsuit or other action by any governmental or regulatory agency or private party involving the property and any hazardous substance or environmental law of which borrower has actual knowledge. If borrower learns, or is notified by any

governmental or regulatory authority, that any removal or other remediation of any hazardous substance affecting the property is necessary, borrower shall promptly take all necessary remedial actions in accordance with environmental law. As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by environmental law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the property is located that relate to health, safety or environmental protection.

19. NON-UNIFORM COVENANTS. Borrower and lender further covenant and agree as follows.

20. 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 for the date the notice is given to borrower, by which the default must be cured, (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, the reasonable attorney's 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. Trustee shall cause this notice to be recorded in each county in which any part of the property is located. Lender or Trustee shall mail copies of the notice as prescribed by applicable law to borrower and to the other person prescribed by applicable law. Trustee shall give public notice of sale to the persons in the manner prescribed 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 to one or more parcels and in any order trustee determines. Trustee may postpone sale of all or any parcel of the property at 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 a 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 attorney's fee,

(b) all sums secured by this Security Instrument, and (c) any excess to the person or persons legally entitled to it.

21.RECONVEYANCE. Upon payment of all sums secured by this Security Instrument, lender shall request trustee to reconvey the property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to trustee. Trustee shall reconvey the property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs.

22.SUBSTITUTE TRUSTEE. Lender, at its option, may from time to time appoint a successor trustee to any trustee appointed hereinabove by an instrument executed and acknowledged by lender and recorded in the office of the recorder of the county which the property is located. The instrument shall contain the name of the original lender, trustee and borrower, the book and page where this Security Instrument is recorded and the name and address of the successor trustee. Without conveyance of the property, the successor trustee shall succeed to all the title, powers and duties conferred upon the trustee herein and by applicable law. This procedure for substitution of trustee shall govern to the exclusion of all other provisions for substitution.

security, trustor hereby gives to and confers upon beneficiary the right power and authority, during the continuance of those trust, from time to time, to collect rents, issues and profits of said property, reserving unto trustor, the right, prior to any default by trustor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they may become due an payable. Upon any such default, beneficiary may at any time and from time to time without notice, either in person or by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

23.THE ENTERING UPON and TAKING POSSESSION of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

24.REQUEST FOR NOTICES. Borrower request that copies of the notices of default and sale be sent to borrower's address which is: 15700 SEVEN MILE ROAD, FT. KLAMATH, OREGON 97626

25.STATEMENT OF OBLIGATION FEE. Lender may collect a fee not to exceed the maximum amount permitted by law for furnishing the statement of obligation as provided by section 2943 of the Civil Code of California.

26.RIDERS TO THE SECURITY AGREEMENT. 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 Instruments as if the rider(s) were a part of this Security Instrument

____ 1-4 Family Rider ____ Condominium Rider ____ Planned Unit
Development

XX Others Specify- PROTECTION OF LENDER'S SECURITY AND
HAZARDOUS MATERIALS RIDER ATTACHED HERETO AND MADE PART
OF. BY SIGNING BELOW, BORROWER ACCEPTS AND AGREES TO THE
TERMS AND COVENANTS IN THE SECURITY INSTRUMENT AND IN
ANY RIDER (s) EXECUTED BY BORROWER.

Robert F. Brown

ROBERT F. BROWN

STATE OF ~~OREGON~~ CALIFORNIA

SHASTA County's

On 11/7/05 before me, the undersigned, a Notary Public in and for
said state personally appeared ROBERT F. BROWN personally known to
me (or proved to me on the basis of satisfactory evidence) to be the person (s)
whose name (s) is/are subscribed to the within instrument, and acknowledge to
me that he/she/they executed the same in his/her/their authorized capacity (ies)
and that by his/her/their signatures (s) on the instrument the person (s) or the
entity upon behalf of which the person(s) acted executed the instrument.

WITNESS my hand and official seal.

Jane M. Brown

Notary Signature

JANE M. BROWN

Name (typed or printed)

Dated 11/7/05

My Commission expires 1/20/09

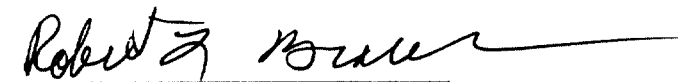


HAZARDOUS MATERIALS RIDER TO THE DEED OF TRUST

At all times, Trustor shall keep the property and the ground water of the property free of Hazardous Materials. "Hazard Materials" shall include all hazardous or toxic materials, including without limitations, substances defined as "Hazardous Substances", Hazardous Materials or Toxic substances in the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 et seq., the Hazardous Material Transportation Act, 49 U.S.C. sections 1801 et seq., the resource conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq.; those substances defined as hazardous waste in Section 25117 of the California Health and Safety Code or as Hazardous Substances in Section 25316 of the California Health and Safety Code; and those substances and chemicals defined in the regulations adopted and publication promulgated pursuant to said laws.

Upon written request by beneficiary, Trustor shall thoroughly investigate suspected Hazardous Materials contamination of the property through professional environmental engineers acceptable to Beneficiary at the cost of the Trustor. Trustor shall forthwith remove, repair, property or the ground water of the property whether Trustor was responsible for the existence of the Hazardous Materials on or in the property or the ground water of the property.

Trustor shall promptly notify, in writing, Beneficiary if Trustor know, suspects or believes there may be any Hazardous Material in or around the property or in the soil, ground water, or soil vapor on or under the property, or if the Trustor or the property may be subject to any threatened or pending investigation by any governmental agency under any law, regulation, or ordinance pertaining to any Hazardous Materials.

A handwritten signature in black ink, appearing to read "Robert F. Brown", with a long horizontal flourish extending to the right.

ROBERT F. BROWN

PROTECTION OF LENDER'S SECURITY RIDER

NOTICE: THIS RIDER ADDS A PROVISION TO THE SECURITY INSTRUMENT ALLOWING THE LENDER TO REQUIRE PAYMENT OF THE LENDER'S ATTORNEY'S FEES IN BANKRUPTCY CASES.

THIS PROTECTION OF LENDER'S SECURITY RIDER is made OCTOBER 28, 2005 and is incorporated into and shall be deemed to amend and supplement the Mortgage Deed of Trust, or Security Deed (The Security Instrument) of the same date given by the undersigned ROBERT F. BROWN (the borrower) to secure borrowers note to JOSEPH BOWER Trustee of the JOSEPH BOWER LIVING TRUST DATED DECEMBER 8, 1993 (the lender) of the same date (the note) and covering the property described in the Security Instrument and located at 15700 SEVEN MILE ROAD, FT. KLAMATH, OREGON

AMENDED COVENANT. In addition to the covenants and agreements make in the Security Instrument, Borrower and lender further covenant and agree as follows:

A. PROTECTION OF LENDER'S SECURITY

Uniform covenant 7 of the Security Instrument is amended to read as follows:

1. Protection of lenders security. If lender's interest in the property is materially affected by any proceeding under the bankruptcy laws of the United States, the lender, at lender's option, may take such action, including seeking relief un the bankruptcy laws, and disburse such sums, including reasonable attorney's fees, as is necessary to protect lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this deed of trust, borrower shall pay the premium required to maintain such insurance until such time as the requirement for such insurance terminates in accordance with the borrower's and lender's written agreement or applicable law. Any amounts disbursed by lender pursuant to this paragraph 7, with interest thereon, at the note rate, shall become additional indebtedness of borrower secured by this Deed of Trust. Unless borrower and lender agree to other terms of payment, such amount shall be payable upon notice from lender to borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require lender to incur any expense or take any action hereunder.

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in the PROTECTION OF LENDER'S SECURITY RIDER.

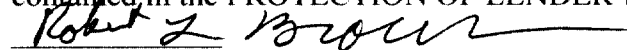

ROBERT F. BROWN

Exhibit "A"

Real property in the County of Klamath, State of Oregon, described as follows:

Township 33 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon:

Section 35: SE 1/4

Township 34 South, Range 6 East of the Willamette Meridian, Klamath County, Oregon:

Section 1: Lots 5 and 6, Lots 7 and 10 less that portion conveyed to Robert D. Helms et ux by Deed recorded in Volume 227 of Deeds, page 92, Lots 11, 12, 13 and 20

Sections 2: Lots 1, 2, 3, 6, 7, 8, 9, 10, 16, 17 and 24

EXCEPTING THEREFROM a road right of way 155 feet in width across the E 1/2 of Section 35, Township 33 South, Range 6 East of the Willamette Meridian, as conveyed to Klamath County, Oregon by Deed recorded April 9, 1965 in Deed Volume 360 page 541 and by Deed recorded April 10, 1965 in Volume 360 page 656.

ALSO EXCEPTING THEREFROM a road right of way across the E 1/2 of Section 35, Township 33 South, Range 6 East of the Willamette Meridian and across the W 1/2 of Section 36, Township 33 South, Range 6 East of the Willamette Meridian, as conveyed to Klamath County, Oregon, by Deed recorded July 14, 1965 in Deed Volume 363 page 178.

Tax Parcel Number: 72619 and 72673 and 72744