

1. **Payment of Principal and Interest; Prepayment, and Late Charge.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Provision for Escrow and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one month's of all yearly taxes and assessments which may attach prior to the Security Instrument, the yearly household payments or ground rents on the Property, if any, all yearly interest on the Funds, and all yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due in the form of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposit or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the amount or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. Lender shall give to Borrower, without charge, an annual statement of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by the Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due date of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be at Borrower's option, either principally applied to the principal of the debt or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by the Security Instrument, Lender shall promptly return to Borrower any Funds held by Lender. If under paragraph 12 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by the Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied first, to late charges due under the Note, second, to prepayment charges due under the Note, third, to amounts payable under paragraph 2, fourth, to interest due, and last, to principal due.

4. **Charges, Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach prior to the Security Instrument, and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2 or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of assessments to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts reflecting the payments.

Borrower shall promptly discharge any lien which has priority over the Security Instrument unless Borrower agrees in writing to the payment of the obligation secured by the lien as a matter acceptable to Lender. If necessary, it is agreed that the lien be, or default against enforcement of the lien, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or satisfaction of any part of the Property, or (b) secure from the holder of the lien an agreement satisfactory to Lender subordinating the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach prior to the Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 30 days of the giving of notice.

5. **Extended Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, lightning and other causes within the term "extended coverage" and any other hazards for which Lender requires insurance. The insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be assignable 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 past premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

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 impaired, if the restoration or repair is not economically feasible or Lender's security would be impaired, 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 dies and another within 30 days a notice from Lender that the insurance carrier has offered to write a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds in 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 the payments. If under paragraph 12 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 the Security Instrument immediately prior to the acquisition.

6. **Preservation and Maintenance of Property; Leasehold.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees in the merger in writing.

7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may demand and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over the Security Instrument, appointing a trust, paying reasonable attorneys' fees and carrying on the Property in more repair. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts collected by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree on other terms of payment, these amounts shall bear interest from the date of delinquency at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower separating payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Insurance. 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 any inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for consequences in loss 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 sums paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the abandonment offers to make or award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not constitute a postponement of the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Performance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted to Lender in any extension or payment of the sums secured by this Security Instrument shall not operate to release the liability of the original Borrower or Borrower's successors in interest or otherwise modify or constitute proceedings against any successor in interest or release in whole or in part by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Benefit. Lender and Successors and Assigns. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 12. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note (as a co-borrower) shall be bound by the terms of this Security Instrument, but shall not be bound by the terms of the Note. Lender shall not be bound by the terms of the Note if the Borrower who co-signs the Security Instrument but does not execute the Note is not personally obligated to pay the sums secured by this Security Instrument, and the Borrower who co-signs the Note is not personally obligated to pay the sums secured by this Security Instrument, and the Borrower who co-signs the Note is not personally obligated to pay the sums secured by this Security Instrument.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charges shall be reduced to the maximum permitted limits will be refunded to Borrower; Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Repayment Acceleration. If enforcement or expiration of applicable laws has the effect of rendering any prepayment of the Note under this Security Instrument undesirable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may exercise any remedies permitted by paragraph 14. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 14.

14. Notices. Any notice to Borrower permitted under this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated below or any other address Lender designates by notice to Borrower. Any notice permitted under this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law, Sovereignty. The Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To the end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Covenants. Borrower shall be given one conditional copy of the Note and of this Security Instrument, subject to a valid or transferable for its beneficial interest in Borrower. If all or any part of the Property or any interest in the Property is sold or transferred for its beneficial interest in Borrower, a valid or transferable and Borrower's not a natural person, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may exercise any remedies permitted by this Security Instrument without further notice or demand on Borrower.

17. Borrower's Right to Defend. If Borrower needs a court order, Borrower shall have the right to have enforcement of this Security Instrument determined at any time prior to the earlier of (a) 30 days or such other period as applicable law may specify for enforcement before sale of the Property pursuant to any power of sale contained in this Security Instrument, or (b) the entry of a judgment enforcing this Security Instrument. These conditions are that Borrower (a) pays Lender all sums which they would be due under this Security Instrument and the Note had no acceleration occurred; (b) does not default on 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 action as Lender may reasonably require to secure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon enforcement by Borrower of this Security Instrument, and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to defend shall not apply in the case of acceleration under paragraph 13 or 14.

THIS SECURITY INSTRUMENT, BORROWER AND LENDER HEREBY CONSENT AND AGREE TO THE FOLLOWING:

18. Accelerating Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement under this Security Instrument that may give to acceleration under paragraph 10 and 11 unless applicable law provides otherwise. The notice shall specify the date by which the action required to cure the default is to be taken, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured and all other failure to cure the default on or before the date specified in the notice may result in acceleration of the note secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to accelerate 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 involve 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 18, including, but not limited to, reasonable attorney's fees and costs of title evidence.

If Lender exercises the power of sale, Lender shall exercise or cause Lender to exercise a written notice of the commencement 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 provided by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction in 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 Lender determines. Lender may purchase any or all 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 records 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 fees, (b) to all sums secured by this Security Instrument, and (c) any excess to the person or persons legally entitled to it.

19. Lender in Possession. Upon acceleration under paragraph 18 or abandonment of the Property, Lender (or person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

20. 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 and without charge to the person or persons legally entitled to it. Such person or persons shall pay any reconveyance costs.

21. Successors. 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.

22. Use of Property. The Property is not currently used for agricultural, timber or grazing purposes.

23. Attorney's Fees. As used in this Security Instrument and in the Note, "attorney's fees" shall include any attorney's fees awarded by an applicable court.

24. Riders to this Security Instrument. If your name/idea are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such order shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the order(s) were a part of this Security Instrument. (Check applicable box(es))

- | | | |
|--|---|---|
| ☐ Adjustable Rate Rider | ☐ Continuation Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | |
| ☐ Other(s) (specify): | | |

25. BORROWER'S SIGNATURE. Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any related document by Borrower and recorded with it.

Robert G. Leeling Seal
Robert G. Leeling
Paul D. Leeling Seal
Paul D. Leeling

_____ (Please Print Full Name for Recording)

STATE OF ILLINOIS
COUNTY OF ILLINOIS } 20

The foregoing instrument was acknowledged before me this NOV 25, 1997
by Robert G. Leeling and Paul D. Leeling (Sign)
Personal Acknowledging

My Commission expires 7-6-90

David S. Chandler
Notary Public



3164

STATE OF OREGON; COUNTY OF CLATSOP

First for record in support of James T. Lee Comptroller
of the A.D. 19 17 in 1-25 of the 1st and only recorded in Vol. 17
at Seaside on Page 17
For 1917 12/17/17 County Clerk
By Wm. Smith

WFE \$21.00