

39293

Loan No. 15360002605

RECORDATION REQUESTED BY:

UNITED COMPANIES FUNDING, INC.
2051 KILLEBREW DRIVE, SUITE 210
BLOOMINGTON, MN 55425

'97 JUN 13 P3:48

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WHEN RECORDED MAIL TO:

UNITED COMPANIES FUNDING, INC.
2051 KILLEBREW DRIVE, SUITE 210
BLOOMINGTON, MN 55425

SEND TAX NOTICES TO:

UNITED COMPANIES FUNDING, INC.
2051 KILLEBREW DRIVE, SUITE 210
BLOOMINGTON, MN 55425

MTC 41527-KA

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

**DEED OF TRUST
LINE OF CREDIT INSTRUMENT**

LINE OF CREDIT INSTRUMENT. (a) This Deed of Trust is a LINE OF CREDIT INSTRUMENT. (b) The maximum principal amount to be advanced pursuant to the Note is Fifty One Thousand Six Hundred Eighty Three and 91/100 Dollars (\$51,683.91). The term of the credit agreement commences on the date of this Deed of Trust and ends no later than AUGUST 15, 2027.

THIS DEED OF TRUST ("Security Instrument") is made on JUNE 12, 1997. The grantor is RACHEL LEAL WESTFALL and ROBERT J. WESTFALL, husband and wife ("Borrower"). The trustee is DICK BRADSHAW ("Trustee"). The beneficiary is UNITED COMPANIES FUNDING, INC., which is organized and existing under the laws of the State of Louisiana, and whose address is 2051 KILLEBREW DR, SUITE 210, BLOOMINGTON, MN 55425 ("Lender"). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on AUGUST 15, 2027. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described property located in KLAMATH County, Oregon:
SEE EXHIBIT "A"

Together with the following described manufactured home:

REDMAN	MILLCREST L-975	1997	28	52
Make	Model	Year	Width	Length
which has been affixed to the real estate described herein with the mortgagor's intent that it become part of the real estate conveyed hereby and subject to the lien of this Mortgage.				

which has the address of 30634 TURTLE ROCK DRIVE, CHILOQUIN, Oregon ("Property Address");

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 COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

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

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

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

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

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

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

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

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals 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 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 lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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 the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

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

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

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

8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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

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.

11. 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 successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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

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

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing 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 herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts 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.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

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

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

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

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

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

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

21. **Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice will 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 defenses of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which any part of the Property is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

22. **Reconveyance.** Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. 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 recordation costs.

23. **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.

24. **Attorneys' Fees.** As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

25. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input checked="" type="checkbox"/> Other(s) [specify] | <input checked="" type="checkbox"/> Manufactured Home Rider | |

Construction Loan Rider

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

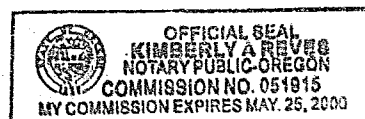
Witnesses:

Rachel Leal Westfall (Seal) _____ (Seal)
RACHEL LEAL WESTFALL - Borrower

Robert J. Westfall (Seal) _____ (Seal)
ROBERT J WESTFALL - Borrower

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Oregon
) ss
COUNTY OF Klamath



On this day before me, the undersigned Notary Public, personally appeared RACHEL LEAL WESTFALL and ROBERT J WESTFALL to me known to be the individual described in and who executed the Deed of Trust, and acknowledged that he or she signed the Deed of Trust as his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 12 day of June, 1997.
By Kimberly A. Reeves Residing at Klamath Falls, OR 97601

Notary Public in and for the State of Oregon My commission expires 5/25/00
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EXHIBIT A

Lot 19 in Block 41, FIRST ADDITION TO KLAMATH FOREST ESTATES,
according to the official plat thereof on file in the office
of the County Clerk of Klamath County, Oregon.

LENDER: UNITED COMPANIES FUNDING, INC.

BORROWER: RACHEL LEAL WESTFALL ROBERT J WESTFALL

PROPERTY: 35634 TURTLE ROCK DRIVE, CHILOQUIN, OREGON 97624-

**CONSTRUCTION LOAN RIDER (INCLUDING SECURITY AGREEMENT)
TO THE DEED OF TRUST (MANUFACTURED HOUSING UNITS)**

THIS CONSTRUCTION LOAN RIDER (the "Rider") shall be deemed to amend and supplement the Mortgage, Deed of Trust, and any and all riders or amendments thereto (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Lender of the same date ("Note") and covering the Property described in the Security Instrument ("Property"). If the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association buys all or some of the Lender's rights under the Security Instrument and Note, the provisions and agreements in this Addendum will no longer have any force and effect.

AMENDED AND ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

- 1. Construction Loan Agreement.** The principal amount of the Note which Borrower promises to pay is either: (1) the amount stated in the Promise to Pay Section of the Note, or if less, (2) the aggregate amount advanced by the Lender under the Construction Loan Agreement ("Loan Agreement"). The loan to be evidenced by the Note shall be disbursed in accordance with the terms and conditions of the Loan Agreement. Borrower agrees to comply with the covenants and conditions of the Loan Agreement between Borrower and Lender, which is incorporated herein by this reference and made a part of the Security Instrument. All loan amounts disbursed to Borrower under the Loan Agreement shall be evidenced by the Note. The Loan Agreement provides for the construction of certain Improvements ("Improvements") on the Property. All advances made by Lender pursuant to the Loan Agreement shall be an indebtedness of Borrower secured by the Security Instrument as amended, and such advances may be obligatory under the terms of the Loan Agreement. The Security Instrument secures the payment of all sums and the performance of all covenants required by the Lender in the Loan Agreement, the Security Instrument, or the Note ("Loan Documents"). The Collateral shall secure the Sums Secured (as that term is defined in the Security Instrument). Upon the failure of Borrower to keep and perform all the covenants, conditions and agreements of the Loan Agreement, the principal sum and all interest and other charges provided for in the Loan Documents and secured hereby shall, at the option of the Lender, become due and payable.
- 2. Future Advances.** During the construction of the Improvements (the "Construction Period"), the Note will accrue interest on the outstanding principal balance at the Contract Rate set forth in the Note. In the event there has been no default as defined in the Note or Loan Agreement, or the Security Instrument, Lender is legally obligated to make advances of principal upon application therefore by the Borrower in accordance with the provisions of the Note and Loan Agreement up to a maximum principal amount, which is equal to the amount of the Note as set forth in the Security Instrument, plus interest and amounts to protect security. Such advances shall be evidenced by the Note and Loan Agreement and secured by the Security Instrument.
- 3. Assignment of Rights or Claims.** From time to time as Lender deems necessary to protect Lender's interest, Borrower shall, upon request of Lender, execute, acknowledge before a notary, and deliver to Lender, assignments of any and all rights or claims which relate to the construction on the Property.
- 4. Breach by Borrower.** In case of breach by Borrower of the covenants and conditions of the Loan Agreement, subject to any right of Borrower to cure his or her default, Lender, at Lender's option, with or without entry upon the Property, (a) may invoke any of the rights or remedies provided in the Loan Agreement, or (b) may accelerate the sums secured by the Security Instrument and invoke any of those remedies provided for in the Security Instrument, or (c) may do both although failure to exercise any of its rights and remedies at any one time does not mean a waiver.
- 5. Termination of Loan Agreement.** During the Construction Period of the loan the Lender will advance funds in accordance with the Construction Loan Agreement. The "Construction Period" is defined as the period extending from the date of Lender's initial advance of funds until the first day of the month preceding the date of the first monthly payment of principal and interest stated in the Note. On the day the Construction Period ends, the loan evidenced by this Note will be a permanent mortgage loan ("Permanent Mortgage Loan Date"). Beginning on the Permanent Mortgage Loan Date, interest shall accrue as stated in the Note and monthly payments of principal and interest shall be due and payable as set forth in the Note. After the commencement of amortization of the Note, the terms of the Loan Agreement shall be null and void, and there shall be no claim or defense arising out of or in connection with the Loan Agreement against the obligations of the Note and the Security Instrument.
- 6. Property.** The property covered by the Security Instrument includes the Property described or referred to therein, together with the following, all of which are referred to as the "Property." The portion of the Property (described below) which constitutes real property is sometimes referred to as the "Real Property". The portion of the Property which constitutes personal property (including, but not limited to the Personal Property Collateral described in the Note) is sometimes referred to as the "Personal Property," listed as follows:

The Manufactured Home:

Make: REDMAN

Model: MILLCREST L-975

Year: 1997

Serial Number:

Width & Length: 28 x 52

The Manufactured Home includes the additional Appliances, Accessories and Furnishings:

-Item-	-Serial Number-

The Security Instrument also covers proceeds of the Manufactured Home, and all accessions, attachments, accessories, replacements and additions to it, whether added now or later. After the Manufactured Home is permanently affixed to the Real Property, it shall be Real Property, and no longer Personal Property.

Despite any other provision of this Rider or any other Loan Document, however, Lender is not granted, and will not have, a nonpurchase money security interest in household goods, to the extent that such a security interest would be prohibited by applicable law.

7. Security Agreement and Financing Statement. The Security Instrument shall be a security agreement granting a Lender a first and prior security interest in all of Borrower's right, title and interest in, to and under the Personal Property, under and within the meaning of the applicable State laws, as well as a document granting a lien upon and against the Real Property. In the event of any foreclosure sale, whether made by Trustee or a substitute trustee, or under judgment of a court, all of the Real and Personal Property may, at the option of Lender, be sold as a whole or any part thereof. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender, as well as Trustee or any substitute trustee on Lender's behalf, shall have all the rights, remedies and recourse with respect to the Personal Property afforded to a "Secured Party" by the applicable State laws in addition to and not in limitation of the other rights and recourse afforded Lender and/or Trustee or any substitute trustee under the Security Instrument. Borrower shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any expert and agents which Lender may incur in connection with: (i) the making and/or administration of the Security Instrument; (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon any property, real and/or personal, described in the Security Instrument; (iii) the exercise or enforcement of any of the rights of Lender under the Security Instrument; or (iv) the failure by Borrower to perform or observe any of the provisions or covenants in the Security Instrument.

Lender may, at its election, at any time after the delivery of the Security Instrument, sign one or more copies of the Security Instrument in order that such copies may be used as a financing statement under the applicable State laws. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a deed of trust, a security agreement, or (unless otherwise required by applicable law) a financing statement.

Borrower also authorizes Lender to sign and file, without Borrower's signature, such financing and continuation statements, amendments, and supplements thereto, and other documents which Lender may from time to time deem necessary to perfect, preserve and protect Lender's security interest in the Property. If any other documents are necessary to protect Lender's interest in the Property, Borrower agrees to sign these documents whenever Lender asks. Borrower also gives Lender permission to sign these documents for Borrower.

8. Invalid Provisions. If any provision of the Security Instrument is declared invalid, illegal, or unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable provision shall be severed from the Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of the Security Instrument.

9. Addresses. The name and address of the Borrower is:

RACHEL LEAL WESTFALL and ROBERT J WESTFALL, husband and wife
30634 TURTLE ROCK DRIVE

The name and address of the Lender/Secured Party is:

UNITED COMPANIES FUNDING, INC.
2051 KILLEBREW DRIVE, SUITE 210
BLOOMINGTON, MINNESOTA 55425

10. Relation to Loan Agreement. The Security Instrument is subject to all of the applicable terms and conditions contained in the Loan Agreement. The Loan Agreement is to be filed in the County Clerk's Office in the County where the Property is located at the same time the Security Instrument is recorded. If Borrower fails to keep any of the promises Borrower makes in the Loan Agreement, Lender may require that the entire balance of Borrower's debt to Lender be paid immediately.

11. Paragraph 6 of the Security Instrument

The first sentence of Paragraph 6 of the Security Instrument is hereby modified to read as follows:

Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the end of the Construction Period and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

All other provisions in Paragraph 6 of the Security Instrument remain unchanged.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Construction Loan Rider.

EXECUTED this 12 day of June, 19 97.

Borrower

RACHEL LEAL WESTFALL

Printed Name

Borrower

ROBERT J. WESTFALL

Printed Name

Borrower

Printed Name

Borrower

Printed Name

STATE OF OREGON

COUNTY OF Klamath) ss:

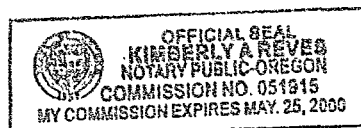
On this 12 day of June, 19 97, before me the subscriber personally appeared

Rachel Leal Westfall (and) Robert J. Westfall to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally) acknowledged to me that (s)he/they executed the same.

Notary Public; State of Oregon

Qualified in the County of Klamath

My commission expires: 5/25/2000



ATTENTION COUNTY CLERK. This instrument covers goods that are or are to become fixtures on the Property described herein and is to be filed for record in the records where Mortgages on real estate are recorded. Additionally, this instrument should be appropriately indexed, not only as a Mortgage but as a financing statement covering goods that are or are to become fixtures on the Property described herein. The mailing address of the Borrower (Debtor) and Lender (Secured Party) are set forth in this instrument.

18395

Loan No. 15380302605

UNITED COMPANIES FUNDING, INC.
Manufactured Home Rider to Deed of Trust

- 1 **Meaning of Some Words.** As used in this Rider, the term "Security Instrument" means the Mortgage which is dated with the same date as this Rider. As used in this Rider and in the Security Instrument, the term "Note" means the Promissory Note and Security Agreement which is dated with the same date as the Security Instrument. As used in this Rider, the term "Lender" means UNITED COMPANIES FUNDING, INC. and any subsequent holder of the Note and the Security Instrument. As used in this Rider, the term "Borrower" means anyone signing the Note or the Security Instrument as a Borrower. As used in this Rider and in the Security Instrument, the term "Property" includes the Manufactured Home, as that term is defined in the Note.
- 2 **Purpose and Effect of Rider.** Lender requires Borrower to agree to the provisions that are contained in this Rider as a condition of Lender making a loan to Borrower. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS IN THIS RIDER AND THOSE IN THE SECURITY INSTRUMENT OR THE NOTE, THE PROVISIONS IN THE RIDER WILL BE CONTROLLING; THOSE PROVISIONS IN THE SECURITY INSTRUMENT AND NOTE WILL BE ELIMINATED OR MODIFIED AS MUCH AS IS NECESSARY TO MAKE ALL OF THE CONFLICTING TERMS AGREE WITH THIS RIDER. If the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association, or any other federal or state governmental agency, buys all or some of the Lender's rights under the Note or the Security Instrument, the promises and agreements in this Rider will no longer have any force or effect.
- 3 **Application of Borrower's payments.** I MAY PREPAY ANY AMOUNTS DUE UNDER THE NOTE OR THE SECURITY INSTRUMENT AT ANY TIME, WITHOUT PENALTY.
- 4 **Lender's Security Interest.** The Collateral described in the Note also shall secure the sums secured as described in the Security Instrument.
- 5 **Flood Insurance** I will keep the Manufactured Home and any other buildings on the Property insured against loss by flood if the Property is located in a special flood hazard area.
- 6 **Insurance Premiums.** I will reimburse the Lender for any premiums paid by the Lender for hazard insurance (including comprehensive policies) or flood insurance because I have failed to do so. I also agree that the premiums paid by the Lender will be secured by the Security Instrument.
- 7 **Lender's Option to Use Insurance Proceeds.** I agree that Lender will have the choice of either using any insurance proceeds to reduce the amount that I owe to Lender under the Note and the Security Instrument or for replacing and/or repairing the Property.
- 8 **Hazard Insurance Co-Insurance.** The Hazard Insurance I obtain will not contain a co-insurance clause, unless specifically authorized by Lender.
- 9 **Lender's Use of Condemnation Proceeds.** All proceeds of any condemnation of a part of the Property shall be used to reduce the amount I owe to Lender.
- 10 **Additional Rights of Lender in Event of Foreclosure and Sale.** In addition to those rights granted in the Security Instrument, Lender shall have the following rights in the event Lender starts a lawsuit for foreclosure and sale of the Property.
 - a) All reasonable sums paid by Lender in starting and carrying on the lawsuit for foreclosure and sale, including reasonable attorney's fees and all costs allowed by law, together with interest on all of these sums at the interest rate stated in the Note, shall be paid by me or added to the principal I owe the Lender.
 - b) The Property may be sold in one parcel.
 - c) Lender, in any action to foreclose this Security Instrument shall be entitled to appointment of a receiver without any special notice to me, and Lender shall have this right no matter what balance I owe to Lender.
- 11 **Additional Events of Default.** I will be in default on the Note and the Security Instrument
 - a) if any structure on the Property shall be removed, demolished, or substantially altered;
 - b) if I fail to comply with any requirement of federal, state or municipal authorities (the Lender, however, may comply and add the expense to the mortgage debt); or
 - c) if the property becomes vacant or not owner occupied.
- 12 **Prior Notice and Opportunity to Correct Broken Promise.** Lender will give Borrower any prior notice and any opportunity to make up a missed payment or correct a broken promise as required by applicable law.

By signing this Rider, I agree to all of the above provisions.

Dated: June 12, 19 97Rachel Leal Westfall (SEAL)
RACHEL LEAL WESTFALL - BorrowerDated: June 12, 19 97Robert J. Westfall (SEAL)
ROBERT J WESTFALL - Borrower

Dated: _____, 19 _____

(SEAL)

Dated: _____, 19 _____

(SEAL)

Loan No. 153500002605

18396

STATE OF OREGON

COUNTY OF

On this 12 day of June, 19 97, before me personally came

Robert T. Westfall and Rachel Lea Westfall

to me personally known and known to me to be the individual(s) described in and who executed the foregoing instrument and duly acknowledged that

Kimberly A. Reves

Notary Public:

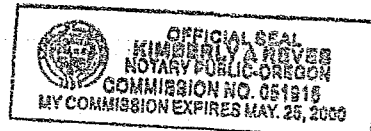
State of Oregon

Qualified in the County of

Klamath

My Commission expires:

Postbox



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 13th day
of June A.D., 19 97 at 3:48 o'clock P. M., and duly recorded in Vol. M97
of Mortgages on Page 18387

FEE \$55.00

By Bernetha G. Letsch, County Clerk
Kathleen Kain