

Loan No. 01-0723-001807317-1  
AMERITITLE 46107-MS

AFTER RECORDING, MAIL TO:

Washington Mutual Bank  
LOAN SERVICING - VAULT  
PO BOX 91006 - SAS0304  
SEATTLE, WA 98111

MTC 46107-MS

[Space Above This Line For Recording Date]

## DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on November 2, 1998. The grantor is BRYAN R KOEHN and CHRISTINE L KOEHN, HUSBAND AND WIFE

("Borrower"). The trustee is AMERITITLE, a Oregon corporation

("Trustee"). The beneficiary is Washington Mutual Bank

, which is organized and existing under the laws of Washington, and whose address is 1201 Third Avenue Seattle, WA 98101

principal sum of Eighty-Eight Thousand & 00/100 ("Lender"). Borrower owes Lender the

Dollars (U.S. \$88,000.00).

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 December 1, 2028. 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:

LOT 29 IN BLOCK 2, TRACT 1002, LAWANDA HILLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of 5515 SIERRA CT

(Street)

KLAMATH FALLS

(City)

Oregon 97601 ("Property Address");

(Zip Code)

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

BORROWER 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.

OREGON - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
427A (03-98)

Form 2038 9/90 (page 1 of 4 pages)  
TO BE RECORDED

# 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 3, 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.

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.



10. **Condemnation.** The proceeds of any award or claim for damages, compensation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned 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, and in the event of a partial taking of the Property in which the fair market value of the Property is less than the amount of the sums secured by this Security Instrument, the proceeds shall be applied to the sums secured by this Security Instrument until the amount of the sums secured by this Security Instrument is paid in full to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property is greater than the amount of the sums secured by this Security Instrument, the proceeds shall be applied to the sums secured by this Security Instrument until the amount of the sums secured by this Security Instrument is paid in full to Borrower, and the remaining proceeds shall be paid to Borrower.

Before the taking, dividend by (b) the taking of the Property in whole or in part by the Borrower. In the event of a partial taking of the Property in whole or in part by the Borrower, less than the amount of the sums secured immediately before the taking, unless Borrower provides applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument in the order of priority set forth in Section 3.1. If the sums secured by this Security Instrument are then due, the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or to purchase the Property, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to sell or otherwise dispose of the Property or to the sums secured by this Security Instrument and or postpone the taking of the Property.

Instrument, whether or not then due. Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not be made until the principal is paid in full. Extension of the time for payment or modification of the amount of such payments shall not operate as a waiver of the lender's right to enforce the instrument in interest of Borrower shall not operate as a waiver of the lender's right to enforce the instrument in proceedings.

[illegible][illegible]

Borrower's covenants and agreements. Borrower agrees to execute the Note; (a) is co-signing this Security Instrument under the terms of this Security Instrument; (b) is not personally obligated to pay the Note; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations in the performance of the Note without that Borrower's consent.

**Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and the interest or other loan charges collected or to be collected in connection with the loan exceed the charge to the permitted limit; and Lender may choose to make the amount necessary to reduce the charge to the permitted limit, the amount necessary to reduce the charge to the permitted limit shall be added to the principal of the loan.

[illegible]

14. **Applicable Law; Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the property subject to this Security Instrument is located. If any provision of this Security Instrument or the Note conflicts with applicable law, to the maximum extent permitted by law, that provision shall be deemed inoperative and the remaining provisions of this Security Instrument and the Note shall remain in full force and effect. If any provision of this Security Instrument or the Note is held to be unenforceable under applicable law, the remaining provisions of this Security Instrument and the Note shall remain in full force and effect. If any provision of this Security Instrument or the Note is held to be unenforceable under applicable law, the remaining provisions of this Security Instrument and the Note shall remain in full force and effect.

[illegible]

17. **Transfer of the Property.** If the property securing this Security Instrument is sold or transferred, the Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. The notice shall provide a period of not less than 30 days after the date the notice is delivered or mailed within which Borrower must pay all sums secured by 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 after the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Lender exercises this option, Lender may invoke any remedies permitted by this Security Instrument.

18. Borrower's Right to Reinstatement. If Borrower meets certain conditions, Borrower shall have the right to have enforceable under this Security Instrument without further notice or demand on Borrower.

10. Upon acceleration or nonpayment by Borrower, Lender's rights under this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument shall apply as if no acceleration had occurred; provided, however, that all expenses incurred in enforcing this Security Instrument shall remain fully effective as if no acceleration had occurred. However, this right to enforce this Security Instrument shall not apply in the case of acceleration under paragraph 17.

11. **Sale of Note:** Change of ownership notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") who will administer the loan secured by this Security Instrument. There also may be one or more changes of the change in ownership. The new Loan Servicer will be given written notice of the change in ownership by the current Loan Servicer and the

[illegible]

Borrower shall promptly give Lender written notice of the Property and any Hazardous Substance or Environmental Law or other governmental or regulatory agency or private party involving the Property and 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.

**ENVIRONMENTAL COVENANTS.** Borrower and Lender further covenant and agree as follows:

21. Acceleration; Remedies. Lender shall give Borrower notice of acceleration of the debt secured by this Security Instrument (but not prior to acceleration of the debt) if Borrower fails to cure the default on or before the date specified in the notice. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) 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 remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title insurance, incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title insurance.

TO BE RECORDED

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01-0723-001807317-1

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 Lender shall charge Borrower a release fee in an amount allowed by applicable law. 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))

- ☐ Adjustable Rate Rider  
☐ Graduated Payment Rider  
☐ Balloon Rider  
☐ Other(s) [specify]

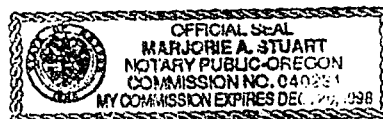
- ☐ Condominium Rider  
☐ Planned Unit Development Rider  
☐ Rate Improvement Rider

- ☐ 1-4 Family Rider  
☐ Biweekly Payment Rider  
☐ Second Home 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.

X Bryan R Koehn  
 BRYAN R KOEHN

X Christine L Koehn  
 CHRISTINE L KOEHN



STATE OF OREGON,  
 Klamath County ss:

On this 4th day of November 1998, personally appeared the above named  
BRYAN R KOEHN and CHRISTINE L KOEHN

and acknowledged the foregoing instrument to be his/her/their voluntary act and deed.

WITNESS my hand and official seal affixed the day and year in this certificate above written.

(Official Seal)

My Commission expires: 12-20-98

Before me:

Marjorie A. Stuart  
 Notary Public for Oregon

#### REQUEST FOR RECONVEYANCE

#### TO TRUSTEE:

The undersigned is the holder of the note or notes secured by this Deed of Trust. Said note or notes, together with all other indebtedness secured by this Deed of Trust, have been paid in full. You are hereby directed to cancel said note or notes and this Deed of Trust, which are delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Deed of Trust to the person or persons legally entitled thereto.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle the 5th day  
 of November A.D., 19 98 at 3:25 o'clock P. M., and duly recorded in Vol. M98  
40608  
 of Mortgages on Page

FEE \$25.00

By Bernetha G. Letsch, County Clerk