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Vol. 1798 Page 42136
 Record & Return to:
 Phillips Title Agency, Inc.
 2713 Haddonfield Road, 2nd Floor
 Pennsauken, NJ 08109 DR-02008

OREGON
 DEED OF TRUST

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 THIS DEED OF TRUST is made on July 23, 1998. The
 grantor is TODD ANGELBRECHT and JENNIFER M. ANGELBRECHT
 The trustee is _____

("Trustee"). The beneficiary is Chase Manhattan Bank USA, N.A., a national banking association
 whose address is 802 Delaware Avenue P.O. Box 15741, Wilmington, Delaware 19866-5741

Deed of Trust, the terms "you," "your" and "yours" refer to the grantor(s). The terms "we," "us" and
 "our" refer to the beneficiary. You owe us the principal sum of
NINETEEN THOUSAND SEVEN HUNDRED AND 00/100 Dollars (\$19,700.00).

This debt is evidenced by your note dated the same date as the Deed of Trust ("Note"), which
 provides for monthly payments, with the full debt, if not paid earlier, due and payable on

_____. This Deed of Trust secures to us:

(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 this Deed
 of Trust to protect the security of this Deed of Trust; and (c) the performance of your covenants and
 agreements under this Deed of Trust and the Note. For this purpose, you irrevocably grant and
 convey to the Trustee, in trust, with power of sale, the following described property located in
KLAMATH County, Oregon:

which has the address of 3217 DERBY ST, KLAMATH FALLS, OR 97603-7315
 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 Deed of Trust. All of the foregoing is referred to in this Deed of
 Trust as the "Property."

YOU COVENANT that you are lawfully seized of the estate hereby conveyed and have the
 right to grant and convey the Property and that the Property is unencumbered, except for
 encumbrances of record. You warrant and will defend generally the title to the Property against all
 claims and demands, subject to any encumbrances of record.

YOU AND WE covenant and agree as follows:

1. **Payment of Principal, Interest and Other Charges.** You shall pay when due the
 principal of and interest owing under the Note and all other charges due under the Note.
2. **Payments of Taxes and Insurance.** You will pay, when due, all taxes, assessments,
 leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage
 insurance (if any).
3. **Application of Payments.** Unless applicable law provides otherwise, all payments
 received by us under the Note and paragraph 1 may be applied by us first to interest and other
 charges payable under the Note and then to the remaining principal balance under the Note.
4. **Prior Deed of Trusts; Charges; Liens.** You shall perform all of your obligations under
 any mortgage, deed of trust or other security instruments with a lien which has priority over this Deed
 of Trust, including your covenants to make payments when due. You shall pay all taxes, assessments,
 charges, fines and impositions attributable to the Property which may attain priority over this Deed of
 Trust, and leasehold payments or ground rents, if any. Upon our request, you shall promptly furnish to
 us all notices of amounts to be paid under this paragraph and receipts evidencing any such payments
 you make directly. You shall promptly discharge any lien (other than a lien disclosed to us in your
 application or in any title report we obtained) which has priority over this Deed of Trust.
5. **Hazard Insurance.** You shall keep the Property insured against loss by fire, hazards
 included within the term "extended coverage" and any other hazards, including floods or flooding, for
 which we require insurance. This insurance shall be maintained in the amounts and for the periods
 that we require. You may choose any insurer reasonably acceptable to us. Insurance policies and
 renewals shall be acceptable to us and shall include a standard mortgage clause. If we require, you
 shall promptly give us all receipts of paid premiums and renewal notices. You shall promptly notify the
 insurer and us of any loss. We may make proof of loss if you do not promptly do so. Insurance
 proceeds shall be applied to restore or repair the Property damaged, if restoration or repair is
 economically feasible and our security would not be lessened. Otherwise, insurance proceeds shall be
 applied to sums secured by this Deed of Trust, whether or not then due, with any excess paid to you.
 If you abandon the Property, or do not answer within 30 days our notice to you that the insurer has
 offered to settle a claim, then we may collect and use the proceeds to repair or restore the Property

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or to pay sums secured by this Deed of Trust, whether or not then due. The 30-day period will begin when notice is given. Any application of proceeds to principal shall not require us to extend or postpone the due date of monthly payments. If we acquire the Property at a forced sale following your default, your right to any insurance proceeds resulting from damage to the Property prior to the acquisition shall pass to us to the extent of the sums secured by this Deed of Trust immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. You shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste. If this Deed of Trust is on a leasehold, you shall comply with the lease. If you acquire fee title to the Property, the leasehold and fee title shall not merge unless we agree to the merger in writing.

7. Protection of Our Rights in the Property; Mortgage Insurance. If you fail to perform the covenants and agreements contained in this Deed of Trust, or there is a legal proceeding that may significantly affect our rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then we may do, and pay for, anything necessary to protect the Property's value and our rights in the Property. Our actions may include paying any sums secured by a lien which has priority over this Deed of Trust or any advance under the Note or this Deed of Trust, appearing in court, paying reasonable attorneys' fees, paying any sums which you are required to pay under this Deed of Trust and entering on the Property to make repairs. We do not have to take any action we are permitted to take under this paragraph. Any amounts we pay under this paragraph shall become additional debts you owe us and shall be secured by this Deed of Trust. These amounts shall bear interest from the disbursement date at the rate established under the Note and shall be payable, with interest, upon our request. If we required mortgage insurance as a condition of making the loan secured by this Deed of Trust, you shall pay the premiums for such insurance until such time as the requirement for the insurance terminates.

8. Inspection. We may inspect the Property at any reasonable time and upon reasonable notice.

9. Condemnation. The proceeds of any award 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 us. If the Property is abandoned, or if, after notice by us to you that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within 30 days after the date the notice is given, we are authorized to collect and apply the proceeds, at our option, either to restoration or repair of the Property or to the sums secured by this Deed of Trust, whether or not then due. Unless we and you otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments payable under the Note and paragraph 1 or change the amount of such payments.

10. You Are Not Released; Forbearance by Us Not a Waiver. Extension of time for payment or modification of amortization of the sums secured by this Deed of Trust granted by us to any of your successors in interest shall not operate to release your liability or the liability of your successors in interest. We shall not be required to commence proceedings against any successor in interest, refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by you or your successors in interest. Our forbearance in exercising any right or remedy shall not waive or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Deed of Trust shall bind and benefit your successors and permitted assigns. Your covenants and agreements shall be joint and several. Anyone who co-signs this Deed of Trust but does not execute the Note: (a) is co-signing this Deed of Trust only to mortgage, grant and convey such person's interest in the Property; (b) is not personally obligated to pay the Note, but is obligated to pay all other sums secured by this Deed of Trust; and (c) agrees that we and anyone else who signs this Deed of Trust may agree to extend, modify, forbear or make any accommodations regarding the terms of this Deed of Trust or the Note without such person's consent.

12. Loan Charges. If the loan secured by this Deed of Trust 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 you which exceed permitted limits will be refunded to you. We may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to you. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Notices. Unless otherwise required by law, any notice to you provided for in this Deed of Trust shall be delivered or mailed by first class mail to the Property Address or any other address you designate by notice to us. Unless otherwise required by law, any notice to us shall be given by first class mail to our address stated above or any other address we designate by notice to you.

14. Governing Law; Severability. The extension of credit secured by this Deed of Trust is governed by federal law, which for the purposes of 12 USC 85 incorporates Delaware law. However, the interpretation and enforcement of this Deed of Trust shall be governed by the law of the jurisdiction in which the Property is located, except as preempted by federal law. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

15. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without our prior written consent, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by us if exercise is prohibited by federal law as of the date of this Deed of Trust.

16. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Deed of Trust) may be sold one or more times without prior notice to you. 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 Deed of Trust. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Note. If there is a change of the Loan Servicer, you will be given written notice of the change as required by 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 information required by applicable law.

17. Hazardous Substances. You shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. You 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 Hazardous Substances in quantities that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. You shall promptly give us 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 you have actual knowledge. If you learn or are notified by any government or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, you shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this Deed of Trust, "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 Deed of Trust, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. Acceleration; Remedies. We shall give notice to you prior to acceleration following your breach of any covenant or agreement in this Deed of Trust (but not prior to acceleration under paragraph 15 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 you, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust and sale of the Property. The notice shall further inform you 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 you may have to acceleration and sale. If the default is not cured on or before the date specified in the notice, we may, at our option, require immediate payment in full of all sums secured by this Deed of Trust without further demand and may invoke the power of sale and any other remedies permitted by applicable law. We shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

If we invoke the power of sale, we shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of our 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. Either we or Trustee shall give notice of sale in the manner prescribed by applicable law to you and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on you, 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. Either we or our 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 Deed of Trust; and (c) any excess to the person or persons legally entitled to it.

19. **Reconveyance.** Upon payment of all sums secured by this Deed of Trust, we shall request Trustee to reconvey the Property and surrender this Deed of Trust and all notes evidencing debt secured by this Deed of Trust 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.

20. **Substitute Trustee.** We 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.

21. **Attorneys Fees.** As used in this Deed of Trust and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

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

Condominium Rider

1.4 Family Rider

Planned Unit Development Rider

Other(s) [specify]

BY SIGNING BELOW, You accept and agree to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by you and recorded with it.

Witnesses:

Pam Barnett

Todd Engelbrecht (SEAL)
TODD ENGELBRECHT TE - Borrower

Charles A. Oliver

Jennifer M. Engelbrecht (SEAL)
JENNIFER M. ENGELBRECHT - Borrower
JE

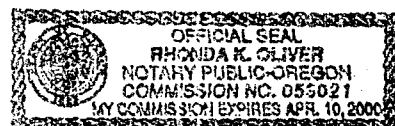
STATE OF OREGON

CITY/COUNTY OF

Klamath

) ss:

The foregoing instrument was acknowledged before me this 23rd day of July, 1998, by Rhonda K. Oliver, who acknowledged the foregoing instrument to be their voluntary act and deed.



Before me,

Rhonda K. Oliver

Notary Public,

My Commission expires: April 10, 2000

47140

SCHEDULE A
DESCRIPTION

All that certain Lot, piece or parcel of land, with the buildings and improvements thereon erected, situate, lying and being in the Township of Klamath Falls, County of Klamath State of Oregon:

THE FOLLOWING DESCRIBED REAL PROPERTY IN THE COUNTY OF KLAMATH AND STATE OF OREGON

PARCEL 1 OF MINOR PARTITION 13-91 SITUATED IN THE NE IN SECTION 10, TOWNSHIP 39 SOUTH, RANGE 9 EAST OF THE WILLAMETTE MERIDIAN, KLAMATH COUNTY, OREGON, FILED JULY 9, 1991, IN THE COUNTY CLERK'S OFFICE OF KLAMATH COUNTY, OREGON,

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Phillips Title Agency the 24th day
of December A.D. 19 98 at 1:35 o'clock P. M., and duly recorded in Vol. M98
of Mortgages on Page 47136

FEE \$30.00

By Bernetha G. Letsch, County Clerk
Kathleen Ross