

Loan No. 11-1723-0015114712  
FIRST MORTGAGE TITLE LENDER

AFTER RECORDING NAME TO:

Washington Mutual Bank  
c/o DATAPLEX  
19031 33rd Ave NW # 1 MS 167 PWA  
LYNNWOOD, WA 98036

11-23-1998

Space Above This Line For Recording Data

## DEED OF TRUST

THIS DEED OF TRUST ("Security Instrument") is made on January 11, 1999, the grantor is ROSENA L. DESMARTIN, TRUSTOR and the grantee is AMERICAN TITLE INS CO.

("Borrower"). The trustee is FINS ("Trustee"). The beneficiary is Washington Mutual Bank, which is organized under the laws of Washington, and whose address is 1201 Third Avenue Seattle, WA 98101. ("Lender"). Borrower owes Lender the principal sum of Fifty-Two Thousand Dollars and Five Hundred Sixty-One Cents (\$52,561.60).

This debt is evidenced by Borrower's monthly payments, with the full debt Security instrument secures to Lender renewals, extensions and modifications paragraph 7 to protect the security 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 5 IN BLOCK 13 OF EIGHTH ADDITION OF THE PRESS VELIN TRACT NO. 110, ACCORDING TO THE OFFICIAL PLAT THEREON FILED IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

which has the address of 5561 1/2 AVENUE

Oregon 97603 ("Property").

TOGETHER WITH all the appurtenances, and fixtures now or covered by this Security Instrument.

BORROWER COVENANTS that grant and convey the Property and the fixtures and will defend generally the same against all persons.

THIS SECURITY INSTRUMENT is limited variations by jurisdiction to con-

OREGON - Single Family, Rent-in-Method  
427A (03-98)  
00100-200

NING UNDER INSTRUMENT

Form 3031 7-910 (page 1 of 4 pages)  
TO BE RECORDED

**UNIFORM COVENANTS.** Borrower agrees:

1. Payment of Principal and Interest on the debt evidenced by the Note and interest on the debt evidenced by the Note and any prepayment subject to applicable law or to a written waiver by Lender. Borrower shall pay to Lender on demand, until the date of full payment ("Funds") for: (a) yearly taxes and assessments levied by Lender on the Property; (b) yearly household payments for ground rent on the insurance premiums; (c) yearly flood insurance premiums, if any; (d) yearly mortgage payable by Borrower to Lender in accordance with the provisions of paragraph 8, in lieu of those items, in a claim "Escrow Items". Lender may, at any time, collect and hold Funds from a lender for a federally related mortgage loan may require for Borrower's escrow int Procedural Act of 1974 as amended, from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"); unless another law that applies in an amount not to exceed the lesser amount of estimates of expenditures of future Escrow Items.

The Funds shall be held in an Institution, if Lender is such an institution, or in may not charge Borrower for holding and applying Lender pays Borrower interest on the Funds Borrower to pay a one-time charge for an individual applicable law provides otherwise. Unless required to pay Borrower any interest or earnings 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 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 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, 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 sum 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 of principal 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 off 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 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 regarding the lien to this Security Instrument. If Lender subject to a lien which may attain priority over this Security Instrument, Lender may give notice to Borrower to take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Fire and Property Insurance.** Insured against loss by fire, hazards included which Lender requires insurance. This insurance carrier providing the insurance will be withheld. If Borrower fails to maintain coverage described rights in the Property in accordance with paragraph 7.

All insurance policies and renewals will be accepted by Lender and shall include a standard mortgage clause. Lender shall have the right to void the policies and renewals. 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 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 refused 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 paragraph 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 sum secured by this Security instrument immediately prior to the acquisition.

**6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Lease Application; Liens.** 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 are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit any act or proceeding to be construed as a 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 discontinued within 30 days of the notice of default. If Borrower fails to do so, Lender may file suit to foreclose the lien created by this Security instrument or Lender's security interest. Borrower shall not be liable for any action taken by Lender in connection with the loan evidenced by the Note, including, but not limited to, the protection 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.** Security instrument, or there is a legal proceeding for bankruptcy, probate, or condemnation or necessary to protect the value of the Property by a lien which has priority over this Security instrument to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this instrument, unless Borrower and Lender discuss same at the Note rate and shall be applied to the Note rate and shall be paid to Lender.

**8. Mortgage Insurance.** If Lender requires mortgage insurance as a condition of making the loan secured by this Security instrument, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance ceases to be in effect, Borrower shall pay the premiums required to obtain coverage from an alternative mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is available, Borrower shall pay under each month a sum equal to one-twelfth of the yearly mortgage insurance insurance coverage, if such coverage is no longer required, at the option of Lender, if and for the period that Lender requires provided by an insurer approved by Lender again in accordance with any written agreement between Borrower and Lender.

Lender's covenants are as follows:

1. Payment of Principal and Interest on the debt evidenced by the Note and any prepayment subject to applicable law or to a written waiver by Lender. Borrower shall pay to Lender on demand, until the date of full payment ("Funds") for: (a) yearly taxes and assessments levied by Lender on the Property; (b) yearly household payments for ground rent on the insurance premiums; (c) yearly flood insurance premiums, if any; (d) yearly mortgage payable by Borrower to Lender in accordance with the provisions of paragraph 8, in lieu of those items, in a claim "Escrow Items". Lender may, at any time, collect and hold Funds from a lender for a federally related mortgage loan may require for Borrower's escrow int Procedural Act of 1974 as amended, from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"); unless another law that applies in an amount not to exceed the lesser amount of estimates of expenditures of future Escrow Items.

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