

7-1-3
Mortgagor/Payer: Return To:
Associated Housing Finance, LLC

[Company Name]

[Name of Natural Person]

P.O. Box 1289

Suite 1400

Clackamas, OR 97015-1489

City, State, ZIP:

If a Change is Requested, All Tax Statements
shall be Sent To The Following Address:

State (Abbrev.)

[City, State ZIP]

[Span Above This Line or Recording Date]

A CREDIT LINE DEED OF TRUST
DEED OF TRUST

This DEED OF TRUST ("Security Instrument") is made on
CONTRACT DATE, DEPEW, a single person

December 28

1998 The grantor is

(Borrower). The trustee is Aspen Title and Escrow, Inc.
535 Main Street, Klamath Falls, OR 97601
Associates Housing Finance, LLC
which is organized and existing under the laws of
P.O. Box 1489, Clackamas, OR 97015-1489

the State of Delaware

"Trustee"). The beneficiary is
and whose address is

one hundred twenty thousand four hundred forty nine and 8/100ths
Dollars (U.S. \$ 120,449.08). 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 April 1,
2029. This Security Instrument secures to Lender: (a) the payment 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 to Trustee, in trust, with power of sale, the following described property
located in Klamath County, Oregon:

Lot 1, Block 20, EUPINA VISTA ADDITION TO THE CITY OF KLAMATH FALLS; in the
County of Klamath, State of Oregon.

Origin: End of Trial-Single Family-Fannie Mae/Freddie Mac
Attest: CLARENCE SOUTHLAND, INC.
To Order: Call: (503) 830-2178 Fax: (971) 392-2891
With the following signature:

TRUSTEES/RECEIVERS

Initials: C

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which has a mailing address of:

KI MATH FALLS
(City)

St. 276 C
Zip Code

TCAN 4 TRUST

(Proper Address)

2418

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures, and all encumbrances of record, 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 the Property and that the Property is used title to the Property against all claims; and

THE SECURITY INSTRUMENT 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. 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, unless otherwise provided in paragraph 1, any amount 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; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums, if any; (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 Escrow funds. Lender may, at any time, collect and hold Funds in an account not to exceed the amount of the note, if the note is in default, or if the note is in default and Lender 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. § 2601 et seq. ("RESPA"), unless another law that applies to the note, at any time, collects and holds 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 if Lender is such an institution) or in any Federal Reserve Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds. Lender may not charge Borrower interest on the Funds and may not pay a one-time charge for an independent real estate appraisal service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made otherwise, Lender may not charge Borrower interest or earnings on the Funds. Borrower shall give to Borrower, without charge, an account of each debit to the Funds, was made. The Funds

If the Funds held by Lender exceed the amount permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirement to pay the Escrow Items when due, Lender may necessary to make up the deficiency. Borrower

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender prior to the acquisition or sale of the Property, shall apply the same to amounts payable under paragraph 2, third, to interest due,

3. Application of Payments. Unless otherwise provided in paragraph 2, first, to any prepayment charge, second, to principal due, and last, to any late charge.

4. Charges; Liens. Borrower shall pay taxes, assessments, leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or, if not paid, Borrower shall promptly furnish to Lender all notices, documents and other evidence of payment.

Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey unburdened, except for encumbrances of record. Borrower warrants and will defend generally the demands, subject to the encumbrances of record.

contains uniform covenants for national use and non-uniform covenants with limited variations

Lender and Borrower covenant and agree as follows:

1. Payment of Principal and Interest. 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; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums, if any; (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 Escrow funds. Lender may, at any time, collect and hold Funds in an account not to exceed the amount of the note, if the note is in default, or if the note is in default and Lender 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. § 2601 et seq. ("RESPA"), unless another law that applies to the note, at any time, collects and holds 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.

whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, Home Loan Bank). Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds and may not pay a one-time charge for an independent real estate appraisal service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made otherwise, Lender may not charge Borrower interest on the Funds. Lender shall not be required to pay Borrower interest on the Funds, showing credit and debits to the Funds and the purpose for which the Funds were pledged as additional security for all sums secured by this Security Instrument.

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 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 prior to the acquisition or sale of the Property, shall apply the same to amounts payable under paragraph 2, third, to interest due, and to amounts payable under paragraph 2, fourth, to principal due under the Note.

Charges, fees and impositions attributable to the Property which are held by Lender prior to the acquisition or sale of the Property, shall apply against the sums secured by this Security Instrument. Otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to any prepayment charge, second, to principal due under the Note, and last, to any late charge.

Interest due under this paragraph. If Borrower makes these payments directly to Lender, Lender shall promptly furnish to Borrower all notices, documents and other evidence of payment.

Origin Date of Trust: Single Family-Van Andel Inc. Fund
Title Company: Title & Escrow, Inc.
Phone Call: (972) 981-2178 Fax: (972) 395-43891
Two.complexcircuits.com

Mac UNIFORM INSTRUMENT

Initials: (C)

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Borrower shall promptly discharge any lien or payment of the obligation secured by the lien instrument of the lien, legal proceedings which an holder of the lien, an agreement satisfactory part of the Property is subject to a lien which may affect the lien. Borrower shall satisfy the lien or take off the lien.

5. Hazard or Property Insurance. Borrower shall be insured against loss by fire, hazards included which Lender requires insurance. This insurance shall be provided by the insurance carrier chosen by Borrower fails to maintain coverage described Property in accordance with paragraph 7.

All insurance policies and renewals shall have the right to hold the policies and renewals. If Lender receives renewal notices. In the event of loss, Borrower shall if not made promptly by Borrower.

Unless Lender and Borrower otherwise a damaged, if the restoration or repair is 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 after notice from Lender that the insurance carrier has agreed to settle a claim, then Lender may collect the insurance proceeds. Lender may require to pay sums specified 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, the date of the monthly payments referred to in part is acquired by Lender, Borrower's right to any interest shall pass to Lender to the extent of the sum so

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property instrument, and shall continue to occupy the Property Lender otherwise agrees to writing, which cannot exceed Borrower's control. Borrower shall not damage the Property. Borrower shall be in default if a court judgment could result in forfeiture of the Property interest. Borrower may cure such a default with a ruling that, in Lender's good faith, impairment of the lien created by this Security instrument process, give material false or inaccurate information or statements to Lender (or failed to provide Lender with evidence required by the Note, including, but not limited to, representations concerning residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the transfer in writing.

7. Protection of Lender's Rights in Security Instrument, or there is a legal proceeding bankruptcy, probate, or condemnation or forfeiture to protect the value of the Property and Lender's interest has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this par-

Any amounts disbursed by Lender under this instrument. Unless Borrower and Lender agree to the Note rate and shall be payable with interest.

8. Mortgage Insurance. If this Security instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance required to maintain the mortgage insurance previously in effect, from an alternate mortgage

which has priority over this Security instrument unless Borrower (a) gives in writing to Lender (b) consents in good faith the lien or defects against the Lender's opinion or (c) secures from Lender subordinating the lien to this Security instrument. If Lender determines that any other action is necessary to enforce the enforcement of the lien, or (d) secures from Lender to this Security instrument. Lender may give Borrower a notice identifying or more of the action set forth above within 30 days of the giving of notice.

Borrower shall keep the improvements now existing or hereafter erected on the Property in the term "extended coverage" and any other hazards, including floods or flooding, for 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 coverage, 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 receives renewal notices. In the event of loss, Borrower shall promptly give to Lender all receipts of paid premiums and give prompt notice to the insurance carrier and Lender. Lender may make proof of loss

in writing, if insurance proceeds shall be applied to restoration or repair of the Property, if reasonably feasible and Lender's security is not lessened. If the restoration or repair is not reasonably 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 after notice from Lender that the insurance carrier has agreed to settle a claim, then Lender may collect the insurance proceeds. Lender may require to pay sums specified 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, any application of proceeds to principal shall not extend or postpone the date of the monthly payments referred to in part is acquired by Lender, Borrower's right to any interest shall pass to Lender to the extent of the sum so

agreed in writing, any application of proceeds to principal shall not extend or postpone the date of the monthly payments referred to in part is acquired by Lender, Borrower's right to any interest shall pass to Lender to the extent of the amount of the payments. If under paragraph 21 the Property is insured by policies and proceeds resulting from damage to the Property prior to the acquisition made by this Security instrument, immediately prior to the acquisition, it is reasonable to believe that the insurance proceeds will be applied to the sums secured by this Security instrument or Lender's security interest, as provided in paragraph 18, by causing the action or proceeding to be taken to determine, precludes forfeiture of the Borrower's interest in the Property or other instrument of Lender's security interest. Borrower shall also be in default if Borrower, false or inaccurate information or statements to Lender (or failed to provide Lender with evidence required by the Note, including, but not limited to, representations concerning residence. If this Security instrument is on a leasehold, Borrower shall comply with all the provisions of the lease, the leasehold and the fee title shall not merge unless Lender agrees to the transfer in writing.

9. Protection of Lender's Rights in Security instrument, or there is a legal proceeding bankruptcy, probate, or condemnation or forfeiture to protect the value of the Property and Lender's interest has priority over this Security instrument, appearing in court, paying reasonable attorney's 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.

Under this paragraph 7 shall become additional debt of Borrower secured by this Security instrument, or there is a legal proceeding bankruptcy, probate, or condemnation or forfeiture to protect the value of the Property and Lender's interest has priority over this Security instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs.

Required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, by Lender. If substantially equivalent mortgage insurance coverage is not

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available, Borrower shall pay to Lender each month a sum to be assessed to be paid by Lender in respect of the monthly premiums being paid by Borrower when the insurance coverage lapses or is terminated or mortgage insurance. Loss reserves (to the amount and for the period that Lender requires) provided by an insurance company maintaining the insurance in effect, may be required, at the option of Lender, if mortgage insurance coverage is discontinued or terminated.

9. Inspection. Lender or its agent may give notice at the time of or prior to an inspection.

10. Condemnation. The proceeds of any other taking of any part of the Property, or

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. 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; Forfeiture 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 any other 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 forfeiture 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 the original Borrower or Borrower's successors in interest; (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, alter or make any accommodations w/r/t regard to the terms of this Security Instrument or the Note without the 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 finely 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 exceed the permitted limit 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 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. In which the Property is located. In the event that any such conflict shall not affect other provisions of this Security Instrument and the Note are deemed to be severable.

16. Borrower's Copy. Each party shall be given one confirmed 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 to the transfer, Lender will accept and retain these payments as a loss reserve until the transfer is made, or until Lender again becomes available and is obtained once in effect, to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with a written agreement between Borrower and Lender or applicable law.

make reasonable entry upon and inspect the Property. Lender shall give Borrower

any award or claim for damages, direct or consequential, in connection with any condemnation or conveyance in lieu of condemnation are hereby assigned and shall be paid to Lender.

otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the sums secured immediately before the taking, unless the taking is less than the amount of the sums secured by this Security Instrument 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 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; Forfeiture 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 any other 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 forfeiture 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 the original Borrower or Borrower's successors in interest; (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, alter or make any accommodations w/r/t regard to the terms of this Security Instrument or the Note without the 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 finely 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 exceed the permitted limit 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 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. In which the Property is located. In the event that any such conflict shall not affect other provisions of this Security Instrument and the Note are deemed to be severable.

16. Borrower's Copy. Each party shall be given one confirmed 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

initials: 

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epositor, Lender may, at its option, require sum
shall not be exercised by Lender if interest rates

If Lender exercises this option, Lender
30 days from the date the notice is delivered
Borrower fails to pay these sums prior to the exp
without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If this Security Instrument discontinued at any time by Lender for non-payment of sums due under this Security Instrument and the Note as if no acceleration had occurred in enforcing this Security Instrument, Lender may reasonably require to assure that the sum secured by this Security Instrument shall remain fully effective as if no acceleration had occurred.

19. Sale of Note; Change of Loan Servicer. This Note may be sold one or more times without prior notice that collects monthly payments due under the Note unrelated to a sale of the Note. If there is a change with paragraph 14 above and applicable law, the payment should be made. The notice will also

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 any person else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences apply to all Hazardous Substances that are generally recognized as hazardous.

Borrower shall promptly give Lender written notice of any regulatory agency or private party involving actual knowledge. If Borrower learns, or is notified, of any Hazardous Substance affecting the Property is 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: herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and regulations of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS.

21. Acceleration; Remedies.

Lender may covenant or agree in this Security Instrument (but not otherwise). The notice shall specify: 30 days from the date the notice is given to Borrower or before the date specified in the notice may the Property. The notice shall further inform Lender of action to assert the non-existence of a default on or before the date specified in the notice, Lender may, 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 trial 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 sell the Property in the 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. After the time required by applicable law, Trustee, or any public auctioneer to the highest bidder at the time and place and under the terms designated in the notice of sale in one or

more payment in full of all sums secured by this Security Instrument. However, this option is prohibited by law as of the date of this Security Instrument. The notice shall provide a period of not less than 10 days within which Borrower must pay all sums secured by this Security Instrument. If payment of this amount, Lender may invoke any remedies permitted by this Security Instrument.

Borrower's rights in conditions. Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time by Lender for non-payment of sums due under this Security Instrument, or entry of a judgment against Borrower. The notice shall provide a period of not less than 10 days within which Borrower must pay all sums secured by this Security Instrument. If payment of this amount, Lender may invoke any remedies permitted by this Security Instrument.

22. Change of Loan Servicer. The Note or partial interest in the Note (together with this Security Instrument) may be sold to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that services this Security Instrument. There also may be one or more changes of the Loan Servicer. Borrower will be given written notice of the change in accordance with the notice will state the name and address of the new Loan Servicer and the address to which

contain any other information required by applicable law. shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property that is in violation of any Environmental Law. The preceding two sentences apply to all Hazardous Substances that are generally recognized as hazardous.

Borrower shall promptly give Lender written notice of any regulatory agency or private party involving actual knowledge. If Borrower learns, or is notified, of any Hazardous Substance affecting the Property is 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: herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and regulations of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

Borrower and Lender further covenant and agree as follows:

Lender shall give notice to Borrower prior to acceleration following Borrower's breach of 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 will result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Lender of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default on or before the date specified in the notice, Lender may, 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 trial evidence.

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 sell the Property in the 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. After the time required by applicable law, Trustee, or any public auctioneer to the highest bidder at the time and place and under the terms designated in the notice of sale in one or

Initials: 

allow any part of the Property or the
debtors may possess the Property.

Trustee shall deliver to the party
or implied. The rights in the Trustee
shall apply the proceeds of the sale in the
Trustee's and attorney's fees; (b) to all sums
entitled to it.

22. Conveyance. Upon payment
of all sums secured by this Security In-
strument and all notes eviden-
tating debt secured by this Security Instrument to Trustee. Trustee
shall convey the Property without any condition or warranty, expressed
or implied, to the person or persons legally entitled to it.

23. Substitute Trustee. Lender may
hereunder. Without conveyance of the Property
herein and by applicable law.

24. Attorneys' Fees. As used in this
by an appellate court, and in any
arbitration proceeding.

25. Riders to this Security Instrument.
In instrument, the covenants and agreements of
agreements of this Security Instrument as if the

same contained in place of any previous instrumented side. Lender or its
trustee shall record conveying the Property without any condition or warranty, expressed
or implied, to the person or persons legally entitled to it. Such person or persons shall pay any recording
fees or taxes, including, but not limited to, reasonable
expenses of the sale, including, but not limited to, reasonable
Security Instruments, and (c) any excess to the person or persons legally
entitled to it.

If all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the
Property and all notes eviden-
tating debt secured by this Security Instrument to Trustee. Trustee
shall convey the Property without any condition or warranty, expressed
or implied, to the person or persons legally entitled to it. Such person or persons shall pay any recording
fees or taxes, including, but not limited to, reasonable
expenses of the sale, including, but not limited to, reasonable
Security Instruments, and (c) any excess to the person or persons legally
entitled to it.

from time to time, the Trustee may appoint a successor trustee; to any Trustee appointed
the successor trustees shall succeed to all the title, power and duties conferred upon Trustee
by this instrument.

26. Security Instruments. As used in this
instrument and in the Note, "attorneys' fees" shall include attorneys' fees awarded
in bankruptcy or arbitration proceeding.

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

- Adjustable Rate Rider;
- Graduated Payment Rider
- Balloon Rider
- Other(s) (specify). Manufactured Housing Unit Rider and Construction Loan Addendum

BY SIGNING BELOW, I acknowledge
rider(s) executed by Borrower and recorded with
this instrument.

Witness:

Cynthia L. Deppen

(Signature)

(Seal)

Borrower

(Signature)

Borrower

(Signature)

Borrower

(Signature)

Borrower

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Supt. of Oregon

County of

Klamath

The foregoing instrument was acknowledged before me this
CONNIE L. DEPEW



(Seal)

(See back of this)

Instrument)

December 30 1999

[date] by

[name of person acknowledged]

Notary Public, State of Oregon

My Commission Expires: April 10, 2000

Grant Deed of Trust Simple Family Trust Mac Fred
The Compliance SOURCE, Inc.
P.O. Box 2177, Call: (971) 325-2891
Fax: (971) 325-2891
www.compliance-source.com

Mac UNION

INSTRUMENT

Initials:

Form 3018-09/98
(page 7 of 7 pages)
4000 OR 7.CS.02/98

STATE OF OREGON COUNTY OF KLAMATH

Filed for record at request of
January A.D. 1999

Fee \$70.00

Signed
M. DepewTitle
Escrow

cc'd.

A. M.

on Page

24.7

by

Linda Smith, County Clerk

Date

25th

Month

Year

222

(TO BE RECORDED WITH THE SECURITY INSTRUMENT)

LENDER: Associates Housing Finance, LLC

BORROWER: CONNIE L. DEP

PROPERTY: PELICAN STREET
KLAMATH FALLS OR 97601**CONSTRUCTION LOAN ADDENDUM INCLUDING
SECURITY AGREEMENT TO THE SECURITY INSTRUMENT**
(Manufactured Housing Unit)

THIS CONSTRUCTION LOAN ADDENDUM shall be deemed to amend and supplement the Mortgage, Deed of Trust, Security Deed or Trust Indenture (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 Association buys all or some of the Lender's rights under the Security Instrument and Note, or upon the execution of an affidavit by Lender, the provisions and agreements in this Addendum will no longer have any force and effect.

AMENDED AND ADDED 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. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement ("Loan Agreement") between Borrower and Lender, which is incorporated herein by this reference and made a part of this Security Instrument. The Loan Agreement provides for the construction of certain Improvements on the Property. All advances made by Lender pursuant to the Loan Agreement shall be an interest in such Improvements and such advances may be obligatory and such advances may be obligatory for the payment of all sums and the performance of all covenants required by the Lender in the Loan Agreement. 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. This Security Instrument shall secure in addition to the sum evidenced by the Note all funds hereafter advanced by Lender to or for the benefit of Borrower, as contemplated by any covenant or provision contained in the Note or for any other purpose.

3. Disbursements to Protect Security. All sums disbursed by Lender prior to completion of the improvements to protect the security of this Security Instrument, up to the principal amount of the Note and any future advances, shall be treated as disbursements pursuant to the Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless the collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at

CONSTRUCTION LOAN ADDENDUM
SECURITY AGREEMENT TO THE SECURITY INSTRUMENT
(Manufactured Housing Unit)

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the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower regarding payment herefor.

6. 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.

7. Breach by Borrower. In case of breach by Borrower of the covenants and conditions of the Loan Agreement, 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 this Security Instrument and invoke any of those remedies provided for in this Security Instrument, or (c) may do both of its rights and remedies at any one time does not mean a waiver.

8. Termination of Loan Agreement upon Amortization. After completion of all construction, disbursement of all loan proceeds and 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 this Security Instrument.

9. Property. The property covered by this Security Instrument includes the property described in the Loan Agreement, together with the following, all of which are referred to as 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 is sometimes referred to as the "Personal Property".

The Manufactured Home Agreement (or otherwise), and all fixtures now or hereafter erected on the Property; any and all heretofore and hereafter vacated alleys and however to any assignment of water rights and water stock (simple title); any and all fixtures whatsoever now or hereafter erected on the Property; easements, rights, appurtenances, rents (subject to Lender), leases, royalties, mineral, oil and gas rights and profits, water, machinery equipment, building materials, appliances, and goods of every nature appurtenant to the Property (to the extent they are included in Borrower's fee simple title); any and all fixtures located in, or on or used, or intended to be used, in connection with the Property (including, but not limited to those for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air and light; security and access control apparatus; plumbing and plumbing fixtures; refrigerating, cooking and laundry equipment; carpet, floor coverings and interior and exterior window treatments; furniture and fixtures; interior and exterior sprinkler plant and lawn maintenance equipment; fire prevention and extinguishing equipment, water tanks, swimming pool, compressor, range, and oven; any shrubbery and landscaping; any and all plans and specifications for development and construction of improvements upon the Property; any and all contracts of or concerning the Property; and all accounts, contract rights, instruments, documents, general rising from or by virtue of any transactions related to the Property; any and all certifications, and other rights and privileges obtained in connection with the and proceeds arising from or by virtue of the sale, lease, or other disposition of all proceeds payable to be payable under each policy of insurance relating to the taking of all or part of the Property for any public or quasi-public use under any law, or building permits, certificates of occupancy, certificates of compliance, any right to use utilities of any kind.

**CONSTRUCTION LOAN AGREEMENT
SECURITY AGREEMENT TO THE
(Manufactured Housing Unit)**

INCLUSIVE OF
SECURITY INSTRUMENT

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including water, sewage, drainage or future, including any reservation permit, letter certificate, license, quasi-governmental entity, quasi-governmental entity, common carrier, or public utility in any way relating to any part of the Property or the Improvements, fixtures and equipment thereon; all other interests of every kind and character which Borrower now has or at any time hereafter acquires in and to the Property, including all other items of property and rights described elsewhere in this Security Instrument.

8. Security Agreement. Granting 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 made by Trustee or a substitute may, at the option of Lender be sold as a whole or any part thereof. It shall not be necessary to have present trustee, or under judgment of a court, all of the Real and Personal Property or any part thereof. Lender, as well as Trustee or any substitute have all the rights, remedies and recourses 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 trustees under this 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 experts and agents which Lender may incur in connection with: (i) the making and/or administration of this Security Instrument; (ii) the custody, preservation, use or operation of, or the sale of, collateral described in this Security Instrument; or (iii) the exercise or enforcement of any of the rights of Lender under this Security Instrument; or (iv) the failure by Borrower to perform or observe any of the provisions or covenants in this Security Instrument.

Lender may, at its election, copies of this 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 of this instrument as a deed of trust, a security agreement, or (unless otherwise required by applicable law) a financing statement.

9. Completion. Lender shall not be responsible for the completion of the Improvements and shall not in any way be considered a guarantor of performance by Contractor. In the event the Improvements are not completed by Contractor according to the drawings and specifications, and it is determined for whatever reason the Lender does not have a valid lien for its loan amount, less the amount necessary to complete the improvements, or in such event Lender, at its option, shall have the right to complete the improvements, and the lien shall be valid for the loan amount.

10. Invalid Provisions. If any provision of this 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 this Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of this Security Instrument.

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11. Addresses:
The name and address of the Borrower is:
CONNIE L. DEPEW

The name and address of the Lender/Secured Party is:
Associates Housing Finance, LLC
P.O. Box 1481
Clackamas, OR 97015-439

12. This Security Instrument is a construction mortgage.
Executed under seal this 30th day of December, 1998.

| | | |
|------------------------|-------------------------|-------------------------|
| <i>Connie L. DePew</i> | (Signature) Borrower | (Signature) Screwer |
| | (Signature) Borrower | (Signature) Borrower |

CONSTRUCTION LOAN AGREEMENT REQUEST AGREEMENT TO THE SECURITY INSTRUMENT
(Manufactured Housing Only)

ILLINOIS

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RE-CONJDS 01/97
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(Attach to Security Instrument)

**MANUFACTURED HOUSING UNIT RIDER TO THE
MORTGAGE / DEED OF TRUST / TRUST INDENTURE**
 (Manufactured Housing Unit to Become Affixed)

This Rider is made this 28th day of December, 1998, and is incorporated into and shall be deemed to amend and supplement the Mortgage/Deed of Trust/Trust Indenture (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to:

Associates Housing Finance, LLC, (the "Note Holder")
 of the same date (the "Note") and covering the property described in the Security Instrument and located at:
 1210 N. STATE ST., Klamath Falls, OR 97601

(Property Address)

Together with the Manufactured
 Make: SILVERCREST
 Model: LI-2
 Year: 1999
 Serial Number(s): 17711089
 Width & Length: 27' x 70'

MODIFICATIONS. In addition to the covenants and agreements made in the Security Instrument, Borrower(s) further covenant and agree as follows:

A. Property:

Property, as the term is used above, affixed to the real property described herein, shall also encompass the Manufactured Housing Unit described herein.

B. Additional Covenants of Borrower(s):

- (a) Borrower(s) do regulations regarding the manufactured housing unit and obtaining the title to classify the Manufactured Housing Unit as real property under State and local law.

**MANUFACTURED HOUSING UNIT RIDER
TO THE
MORTGAGE / DEED OF TRUST / TRUST
(Manufactured Housing Unit to Be Affixed)**

ER TO THE
INDENTURE
to be Affixed

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- (b) That the Manufactured Housing Unit described above shall be, at all times, and for all purposes, permanently affixed to and part of the real property legally described herein and shall not be removed from said property.
- (c) Borrower(s) covenant that affixing the Manufactured Housing Unit to the real property legally described herein does not violate any zoning laws or other local requirements applicable to manufactured houses.
- (d) In the event state or local law does not provide for a surrender of title, Borrower grants Lender a security interest in the Manufactured Housing Unit and shall execute such documents as Lender may request to evidence Lender's security interest therein.

By signing this, Borrower(s) agree to all of the above.

MICHAEL DEPEN
CONTRIE L. DEPEN

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

MANUFACTURED HOUSING UNIT
MORTGAGE/DEED OF TRUST/TITLE
(Manufactured Housing Unit to Back
not Affixed)

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