

WHEN RECORDED MAIL TO:  
Household Finance Corporation  
177 Lemont Road  
Elmhurst, IL 60126

MTC 470 73

SPACE #11 FOR RECORDER'S USE

LINE OF CREDIT INSTRUMENT

661711-08-EGOES

If box is checked, this mortgag

THIS DEED OF TRUST is made this

FRANCIS D REYNOLDS AND EILEEN M MARRIED  
herein, "Borrower"); JACKSON COUNTY  
(herein, "Trustee" and the Beneficiary, B  
a corporation organized and existing under  
1345 CTR DR, STE D, MEDFORD, O  
herein, "Lender").

13TH day of JANUARY

1999, between the Grantor(s),

REYNOLDS

TITLE

NEFICIA LLC OREGON INC D/B/A BENEFICIAL MORTGAGE CO.  
the LWS of LAWIRE  
07501 whose address is

WHEREAS, Borrower is indebted to Lender in the principal sum of \$ 23,500.00 or so much more or less as may be advanced pursuant to the terms of the Note and extensions and renewals thereof (hereinafter referred to as "Note") providing for monthly installments, and interest at the rate and making any adjustments in the interest rate if that rate is variable, and providing for a credit limit set in the principal sum above and an initial advance of \$ 28,600.00;

TO SECURE to Lender the payment of (1) the indebtedness evidenced by the Note, with interest thereon, including any increases if the contract rate is variable; (2) future advances under any Revolving Loan Agreement; (3) the amount advanced in accordance herewith to protect the security of this Deed of Trust; and (4) the performance of all other covenants and agreements of Borrower herein contained, Borrower in consideration of the indebtedness herein acknowledged and agreed to, hereby creates, irrevocably grants and conveys to Trustee the following described property located in the County of Klamath, State of Oregon:

Lot 3 and 4 TOWN OF Klamath,  
State of Oregon

Re-recorded to

Direct legal description

**DEED OF TRUST** with all the improvements and rents (subject to liens), all of which shall be deemed the foregoing, together with such hereafter referred to as the "Property."

Borrower covenants that Borrower conveys the Property, and that the Property is unencumbered, except to encumbrances of record. Borrower warrants and will defend the title to the Property against all claims and demands, subject to encumbrances of record.

#### UNIFORM COVENANTS. Borrower:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest, including any variations resulting from changes in the Contract Rate, and late

Subject to applicable law or waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum of the yearly taxes and assessments (including condominium and planned unit may attain priority over this Deed of Trust, and ground rents on the Property, sum installments for hazard insurance plus one-twelfth of yearly premium my, all as reasonably estimated initially and from time to time by Lender on reasonable estimates thereof. Borrower shall not be obligated to make such payment that Borrower makes such payments to the holder of a prior mortgage or

If Borrower pays Funds to Lender, insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution), Lender shall apply insurance premiums and ground rents. Lender may not charge for so holding account or verifying and compiling said assessments and bills, unless Lender applicable law permits Lender to make such a charge. Borrower and Lender

election of this Deed of Trust, but interest on the Funds shall be paid to made or applicable law requires such interest to be paid, Lender shall not be earnings on the Funds. Lender shall give to Borrower, without charge, an credits and debits to the Funds and the purpose for which each debit to the additional security for the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to

the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they become due, Borrower shall pay to Lender an amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any

Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

3. Application of Payments. Unless a

Note and paragraphs 1 and 2 hereof shall

prevail under paragraph 2 hereof, then to

4. Prior Mortgages and Deeds of Trust. Under any mortgage, deed of trust or other instrument, including Borrower's covenants to make

assessments and other charges, fines and im-

pounds, and household payments or g-

5. Hazard Insurance. Borrower shall ke-

epared against loss by fire, hazards includ-

ing such amounts and for such

The insurance carrier providing the insu-

lance shall not be un-

acceptable to Lender and shall incl-

Lender shall have the right to hold

deed of trust or other security agreement wi-

In the event of loss, Borrower shall give no

notice if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree,

if the restoration or

repair is not economically

feasible or Lender's security would be lessened, the insurance proceeds

Security Instrument, whether or not then due, with any excess paid to

or does not mature within 30 days a notice from Lender that the

then Lender may collect the insurance proceeds. Lender may use the

proceeds to repair or restore the Property or

The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree,

to postpone the due date of the monthly pay-

ments. If under paragraph 19 the Property

resulting from damage to the Property

secured by this Security Instrument immediate-

ly. Lender may collect the insurance proceeds now or hereafter erected on the Property, and all improvements, rights, title to the Property and authorizations given herein to Lender to collect and apply such

Property (or the leasehold estate if this Deed of Trust is on a leasehold) are lawfully seized of the estate hereby conveyed and has the right to grant and property is unencumbered, except to encumbrances of record. Borrower's covenants generally the title to the Property against all claims and demands, subject to

we said Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest

including any variations resulting from changes in the Contract Rate, and late

Subject to applicable law or waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum of the yearly taxes and assessments (including condominium and planned unit may attain priority over this Deed of Trust, and ground rents on the Property, sum installments for hazard insurance plus one-twelfth of yearly premium my, all as reasonably estimated initially and from time to time by Lender on reasonable estimates thereof. Borrower shall not be obligated to make such

payment that Borrower makes such payments to the holder of a prior mortgage or

national lender.

Funds shall be held in an institution the deposits or accounts of which are

agency (including Lender if Lender is such an institution). Lender shall apply

insurance premiums and ground rents. Lender may not charge for so holding

account or verifying and compiling said assessments and bills, unless Lender

applicable law permits Lender to make such a charge. Borrower and Lender

election of this Deed of Trust, but interest on the Funds shall be paid to made or applicable law requires such interest to be paid, Lender shall not be

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credits and debits to the Funds and the purpose for which each debit to the

additional security for the sums secured by this Deed of Trust.

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ce premiums and ground rents, shall exceed the amount required to pay said

ground rents as they fall due, such excess shall be, at Borrower's option, credited to Borrower on monthly installments of Funds. If the amount of the

nt to pay taxes, assessments, insurance premiums and ground rents as they

amount necessary to make up the deficiency in one or more payments as

ed by this Deed of Trust, Lender shall promptly refund to Borrower any

17 hercoph. The Property is sold or the Property is otherwise acquired by

immediately prior to the sale of the Property or its acquisition by Lender, any

action as a credit against the sums secured by this Deed of Trust.

licable law provides otherwise, all payments received by Lender under the

is applied by Lender first to payment of amounts payable to Lender by

nterest payable at the applicable Contract Rate, and then to the principal of

Charges; Liens. Borrower shall perform all of Borrower's obligations

security agreement with a lien which has priority over this Deed of Trust,

ments when due. Borrower shall pay on cause to be paid all taxes,

positions attributable to the Property which may attain a priority over this

and rents, if any.

the impact elements now existing or hereafter erected on the Property

within the term "extended coverage," and such other hazards as Lender

periods as Lender may require.

nce shall be chosen by the Borrower subject to approval by Lender;

as soon as practicable, will be held. All insurance policies and renewals thereof shall be in

te a standard mortgage clause in favor of and in a form acceptable to

the policies and renewals thereof, subject to the terms of any mortgage,

a lien which has priority over this Deed of Trust.

nce 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,

if the restoration or

repair is not economically

feasible or Lender's security would be lessened, the insurance proceeds

Security Instrument, whether or not then due, with any excess paid to

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proceeds to repair or restore the Property or

The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree,

to postpone the due date of the monthly pay-

ments. If under paragraph 19 the Property

resulting from damage to the Property

secured by this Security Instrument immediate-

6. Preservation and Maintenance. Borrower shall keep the Property in the Property and shall comply with the Trust is on a condominium or a planned unit development, the declaration or covenants creating regulations of the condominium or planned unit development, and bylaws and regulations of the condominium or planned unit development.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced against Lender, at Lender's option, upon reasonable attorney's fees, and take such insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amount so disbursed by Lender shall become additional indebtedness of Borrower to Lender, subject to the terms of payment, such amount thereof. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make cause as to make reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

10. Borrower Not Released; For modification of amortization of the sums secured by this Deed of Trust, granted by Lender to any successor in interest of Borrower and all other parties who in any manner become liable for the original principal amount of the Note or otherwise modify the terms of this Deed of Trust, or for any demand made by the original Borrower and Lender in exercising any right or remedy hereunder, or otherwise afford any protection to Lender.

11. Successors and Assigns. Four herein contained shall bind, and the rights of Borrower, subject to the provisions of paragraph 16 of this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or to Lender, and (c) agrees that Lender and any other Borrower hereinafter may agree to amend, modify, or make any other accommodations with regard to the terms of this Deed of Trust or the modifying this Deed of Trust as to the Borrower.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail to Borrower at the address stated in the Note or to Lender as provided herein; and (b) any notice to Borrower or to such other address as Lender may designate in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and Federal laws apply except where such laws conflict with this Deed of Trust or the Note which can be given effect. The Note which are declared to be severable. As used herein "costs", "expenses" and "attorneys' fees" include all applicable law or limited herein.

14. Borrower's Copy. Borrower shall furnish a conformed copy of the Note and of this Deed of Trust, if requested, at the time of execution or at any time thereafter.

15. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to assign any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. Transfer of the Property. If Borrower sells or transfers all or any part of the Property or an interest therein, excluding (a) the creation of a lien or encumbrance subordinate to this Deed of Trust; (b) a transfer by devise, descent or by operation of law upon the death of a joint tenant; (c) the grant of any leasehold interest of three years or less not containing an option to purchase; (d) the transfer to a relative resulting from the death of a Borrower; (e) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incident of ownership agreement, by which the spouse of the Borrower becomes an owner of the property; (f) a transfer into an inter vivos trust in which the Borrower is and remains a transfer of rights of occupancy in the property; or (g) any other transfer or disposition described in regulations prescribed by the Federal Home Loan Bank Board, Borrower shall cause to be furnished information required by Lender to evaluate the transferee as if a new loan were being made to the Borrower in writing.

17. Rehabilitation Co-financing; Planned Unit Developments. Lender shall not commit waste or permit impairment or deterioration of any land if the title of Trust is on a household. If this Deed of Trust is on a condominium or planned unit development, the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, Borrower may make such appearance, disburse such sums, including action as is necessary to protect Lender's interest. If Lender requires mortgage loan secured by this Deed of Trust, Borrower shall pay the premiums required until such time as the requirement for such insurance terminates in accordance with applicable law.

Any amount so disbursed by Lender shall become additional indebtedness of Borrower to Lender, subject to the terms of payment, such amount thereof. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

18. Waiver. Extension of the time for payment or performance by Lender of any provision of this Deed of Trust, granted by Lender to any successor in interest of Borrower and Borrower's successors in interest, Lender shall not be required to extend time for payment or otherwise modify this Deed of Trust by reason of any demand made by the original Borrower and Lender in exercising any right or remedy hereunder, or otherwise preclude the exercise of any such right or remedy.

19. Severability. The covenants and agreements shall be joint and several liability. Co-signers. The covenants and agreements shall be joint and several liability. All covenants and agreements of Borrower shall be joint and several liability, but do not execute the Note; (a) is consigning this Deed of Trust, or (b) is not personally liable on the Note or to Lender, and (c) agrees that Lender and any other Borrower, or make any other accommodations with regard to the Borrower's consent and without releasing that Borrower's interest in the Property.

20. Lender's Right to Amend. The covenants and agreements shall be joint and several liability. Co-signers. The covenants and agreements shall be joint and several liability. All covenants and agreements of Borrower shall be joint and several liability, but do not execute the Note; (a) is consigning this Deed of Trust, or (b) is not personally liable on the Note or to Lender, and (c) agrees that Lender and any other Borrower, or make any other accommodations with regard to the Borrower's consent and without releasing that Borrower's interest in the Property.

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31. Lender's Right to Amend. The covenants and agreements shall be joint and several liability. Co-signers. The covenants and agreements shall be joint and several liability. All covenants and agreements of Borrower shall be joint and several liability, but do not execute the Note; (a) is consigning this Deed of Trust, or (b) is not personally liable on the Note or to Lender, and (c) agrees that Lender and any other Borrower, or make any other accommodations with regard to the Borrower's consent and without releasing that Borrower's interest in the Property.

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Lender does not agree to such sums immediately due and payable. If Lender fails to do so in accordance with paragraph 17 hereof, the notice is mailed or given prior to such date prior to the expiration of such period, Lender may invoke any remedies permitted by law.

#### NON-UNIFORM COVENANTS

17. Acceleration; Remedies. Upon Borrower's breach of any covenants to pay when due any sum notice to Borrower as provided in the contract, (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which failure to cure such breach on or before the date specified in the notice shall further inform Borrower court action to assert the nonaccrual date. If the breach is not cured on or declared all of the sums secured by demand and may invoke the power be entitled to collect all reasonable paragraph 17 including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale the occurrence of an event of default cause such notice to be recorded in Lender or Trustee shall give notice the other persons prescribed by applicable law. Trustee, without determining highest bidder at the time and place parcels and in such order as Trustee Property by public announcement Lender's designee may purchase the

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold 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 reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's evidence; (b) to all sums secured by this Deed of Trust; and (c) the legally entitled thereto.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the power of sale contained in this Deed. Borrower pays Lender all sums which would be then due under this Deed of Trust if: (a) Lender and Trustee had no acceleration any other covenants or agreements of Borrower contained in this Deed of Trust; and in enforcing Lender's and Trustee's remedies as provided in paragraph 17 hereof including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as at the time of this Deed of Trust, Lender's interest in the Property and all the obligations accrued hereto shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointing Trustee. Borrower hereby assigns to Lender the rents and payable.

Upon acceleration under paragraph 17 hereof, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and their to the sums secured by this Deed of Trust.

20. Reconveyance. Upon payment of all amounts secured by this Deed of Trust, and if Lender is not committed to make any future refinancings or future advances, Lender shall request Trustee to reconvey the Property and shall identify in writing the title to the Property hereto.

21. Substitute Trustee. In accordance with applicable law, Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee who dies, becomes incompetent or fails to qualify to act as Trustee under the terms of this Deed of Trust.

22. Attorney's Fees. As used in this Deed

of Trust, "attorney's fees" means fees to be paid to Lender for services rendered by Lender to collect sums due and payable under this Deed of Trust. Lender shall mail Borrower notice of such period within which Borrower may pay the sums declared due. If Borrower fails to do so within such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by law.

Borrower and Lender further covenant and agree as follows:

17. Acceleration; Remedies. Upon Borrower's breach of any covenants to pay when due any sum notice to Borrower as provided in paragraph 17 hereof, or as otherwise required by law, secured by this Deed of Trust, including the right to accelerate and the right to bring a suit for reinstatement after acceleration and the right to bring a suit for default or any other defense of Borrower to acceleration and before the date specified in the notice, Lender, at Lender's option, may file and any other remedies permitted by applicable law. Lender shall declare all of the sums secured by this Deed of Trust to be immediately due and payable without further costs and expenses incurred in pursuing the remedies provided in this Deed of Trust to reasonable attorneys' fees.

Lender shall execute or cause Trustee to execute a written notice of sale in the manner prescribed by applicable law to Borrower and to hand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property at any sale.

User Trustee's deed conveying the Property so sold 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 reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's evidence; (b) to all sums secured by this Deed of Trust; and (c) the legally entitled thereto.

Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in paragraph 17 hereof including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as at the time of this Deed of Trust, Lender's interest in the Property and all the obligations accrued hereto shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointing Trustee. As additional security hereunder, Borrower shall, prior to acceleration under this Deed of Trust, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and their to the sums secured by this Deed of Trust.

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21. Substitute Trustee. In accordance with applicable law, Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee who dies, becomes incompetent or fails to qualify to act as Trustee under the terms of this Deed of Trust.

22. Attorney's Fees. As used in this Deed of Trust, "attorney's fees" shall include attorney's fees, if

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**RECEIPT FOR NOTICE OF DEFAULT  
AND FOR BLODGEURE UNDER SUPERIOR  
MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority at Lender's address set forth on page one of this Deed of Trust, of any default or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust.

*James M. Reynolds*

-Borrower

*D. Ryals*

-Borrower

STATE OF OREGON,

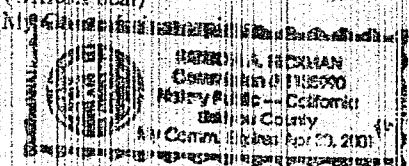
3rd Street

County is:

On this 8th day of April, 1999, personally appeared the above-named forgoing instrument to be

voluntarily and acknowledged

(Official Seal)



**RECEIPT 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 and this Deed of Trust, which are delivered hereto, this Deed of Trust to the person or persons legally entitled thereto.

Date:

(Space Below To)

Like Reserve Per Lender and Receiver

STATE OF OREGON : COUNTY OF KLAMATH

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

A.M. 11:18 o'clock

A.M. on page \_\_\_\_\_

FEE \$30.00

**INDEX**

b. *Patricia F. Ryals*



STATE OF OREGON : COUNTY OF KLAMATH

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

A.M. 11:30 o'clock

the 26th day of \_\_\_\_\_, 1999

FEE \$25.00 Re-record

Inde Smith, County Clerk

*Patricia F. Ryals*