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WHEN RECORDED MAIL TO

VALENTINE LENDER SERVICES, INC.
15630 S.E. 90TH AVENUE, P.O. BOX 2019
CLACKAMAS, OREGON 97015
Attn: Shipping Dept / Document Contr

MTC 48345-LW

SPACE ABOVE THIS LINE FOR RECORDER'S USE

LINE OF CREDIT TRUST DEED
DEED OF TRUST AND ASSIGNMENT OF RENT AND
FINANCING STATEMENT (FIXTURE FILING)

TRUSTOR(S) Name(s) and Address(es)	KATHLEEN A. BENVENGO, 28575 KOOTENAI STREET SPRAGUE RIVER, OREGON 97639	Beneficiary Name and Address	VALENTINE LENDER SERVICES, INC. 15630 S.E. 90TH AVENUE, P.O. BOX 2019, CLACKAMAS, OREGON 97015
	("Borrower")		("Lender")
TRUSTEE'S NAME AND ADDRESS			
AMERITITLE, 222 SOUTH SIXTH STREET, KLAMATH FALLS, OREGON 97601			
LOAN NUMBER	DATE	Term or Maturity Date of Note(exclusive of any option to renew or extend)	Maximum Principal Amount to be advanced pursuant to the Note, exclusive of Interest and other charges and secured under this Deed of Trust ("Principal Balance")
	July 1, 1999	November 9, 2029	\$ 51,282.50

Borrower owes Lender the principal sum shown in the Principal Balance box above. This debt is evidenced by Borrower's Property Acquisition and Improvement loan Agreement dated the same date as this Deed of Trust ("Note"), which provides for monthly payments. This Deed of Trust secures to Lender: (a) the repayment of the debt evidenced by the Note including all advances thereunder, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 2 or otherwise to protect the security of this Deed of Trust; (c) the performance of Borrower's covenants and agreements under this Deed of Trust and the Note, and (d) the Borrower's indebtedness to Dealer (as defined in the Note) and assigned to Lender, as evidenced by the Manufactured Home Contract (as defined in the Note). For this purpose, Borrower irrevocably grants and conveys to Trustee, in trust, with power of sale, the following described Real Property located in KLAMATH County, Oregon:

LOTS 163 AND 164 IN BLOCK 31 OF FOURTH ADDITION TO NIMROD RIVER PARK,
ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE
COUNTY CLERK OF KLAMATH COUNTY, OREGON.

SEE PAGES 2, 3, 4, 5, 6 AND 7 FOR ADDITIONAL IMPORTANT TERMS

2-29344 (3/98 Oregon Deed of Trust (Construction))
ormhcd

Initial(s) X [Signature] X Page 1 of 7

which has the address of **28575 KOOTENAI STREET**

SPRAGUE RIVER

OREGON

97639

(Street)

("Property Address");

(City)

(Zip Code)

together with the improvements (including, without limitation, the manufactured housing unit specifically identified as follows:

1994

(Year)

FLEETWOOD

(Make)

SPRING POINTE

(Model)

ORFLR48A117980SP

(Serial Number)

(the "Manufactured Home") and all other present and future buildings, structures, pads, and improvements thereon) now or hereafter erected or installed on the property, and all easements, rights, appurtenances, rents, issues, profits, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures, equipment, accessories, skirting, awnings, floor covering, carpeting, curtains and rods, stoves, refrigerators and built in appliances, now or hereafter a part of the property. All replacements and additions shall also be covered by this Deed of Trust. All of the foregoing is referred to in this Deed of Trust as the "Property." All components of the Property are deemed encumbered as an entity and are declared to be part of the real estate whether or not physically attached to the Real Property.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property. Borrower warrants that the lien created by this Deed of Trust is a valid and enforceable lien subordinate only to easements, liens and restrictions of record as of the date of this Deed of Trust, and that during the entire term of the indebtedness secured by this Deed of Trust Borrower will not permit this lien to become subordinate to anything else. Borrower warrants and will defend the title to the Property against all claims and demands except such easements, liens and restrictions of record as of the date of this Deed of Trust.

Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges** - Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any other charges due under the Note.

2. **Taxes-Liens-Insurance-Maintenance** - Borrower will pay, when they are due and payable, all taxes, liens or security titles (legal claims), assessments, obligations, water rates and any other charges against the Property, whether superior or inferior to the lien or security title of this Deed of Trust, including paying Lender any costs, including outside attorney's fees incurred by Lender in defending any lawsuit by prior or later lienholders or security title holders on the Property, maintain hazard insurance on the Property in Lender's favor in a form and amount satisfactory to Lender and maintain and keep the Property in good repair at all times during the term of this Deed of Trust pursuant to paragraph 4 below. If Borrower fails to maintain the Property in good repair, Lender may enter the Property and make those repairs necessary to maintain the Property in good repair. Lender may pay any such tax, lien or security title, assessment, obligation, water rates, premium or other charge necessary to maintain the Property in good repair, or any amount required to purchase such insurance in Lender's own name, if Borrower fails to do so. The amount Lender pays will be due and payable to Lender on demand, will bear an interest charge at the interest rate set forth in the Note secured by this Deed of Trust, will be an additional lien or security title on the Property and may be enforced and collected in the same manner as the other obligations secured by this Deed of Trust. The insurance carrier providing the insurance referred to above will be chosen by Borrower subject to Lender's approval which will not be unreasonably withheld. All insurance policies and renewals must be acceptable to Lender and must include a standard mortgagee clause. Lender will have the right to hold the policies and renewals. If Lender requires, Borrower will promptly give to Lender all receipts of paid premiums and renewal notices. In the event of a loss, Borrower will give prompt notice to the insurance carrier and Lender. Lender may file a proof of loss if not made promptly by Borrower. Insurance proceeds will be applied to the restoration or repair of the Property damaged or, at Lender's option, the insurance proceeds will be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within ten (10) days a notice

SEE PAGES 1, 3, 4, 5, 6 AND 7 FOR ADDITIONAL IMPORTANT TERMS

from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Deed of Trust, whether or not then due. The ten (10)-day period will begin when the notice is given.

3. Application of Payments - Unless applicable law provides otherwise, payments shall be first applied to any costs and expenses incurred under this Deed of Trust, then to interest then due and then to principal.

4. Preservation and Maintenance of Property; Leaseholds - Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Deed of Trust is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing. Borrower shall not remove the Manufactured Home or demolish any improvements on the Property without Lender's prior written consent. Borrower shall repair, restore, or construct in a workmanlike manner the Manufactured Home or any other improvements on the Property which are damaged or are being altered or constructed and pay when due all claims for labor performed and materials furnished therefor.

5. Mortgage Insurance - If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and lender's written agreement or applicable law.

6. Inspection - Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

7. Condemnation - The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Deed of Trust, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Deed of Trust 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, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

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 Deed of Trust, 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 payments referred to in paragraph 1 or change the amount of such payments.

8. Borrower Not Released; Forbearance By Lender Not a Waiver - Extension of the time for payment or modification of amortization of the sums secured by this Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

9. Successors and Assigns Bound; Joint and Several Liability; Co-signers - The covenants and agreements of this Deed of Trust shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15. Borrower's covenants and agreements shall be joint and several. Any

SEE PAGES 1, 2, 4, 5, 6 AND 7 FOR ADDITIONAL IMPORTANT TERMS

Borrower who co-signs this Deed of Trust but does not execute the Note: (a) is co-signing this Deed of Trust only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Deed of Trust or the Note without that Borrower's consent.

10. Loan Charges - If the loan secured by this Deed of Trust is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits 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.

11. Legislation Affecting Lender's Rights - If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Deed of Trust unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Deed of Trust and may invoke any remedies permitted by paragraph 17.

12. Notices - Any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. Borrower requests that copies of any notices of default and sale be sent to Borrower's address which is the Property Address unless otherwise indicated on the front page of this Deed of Trust. Any notice 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 Deed of Trust shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

13. Governing Law; Severability - This Deed of Trust shall be governed by Oregon and applicable federal law. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision. To this end the provisions of this Deed of Trust and the Note are declared to be severable.

14. Borrower's Copy - Borrower shall be given one conformed copy of the Note and of this Deed of Trust.

15. 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, Lender may, at its option, require immediate payment in full of all sums secured by this Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust.

16. Borrower's Right to Reinstate - Under certain conditions, as described in Section 17 and in ORS 86.753, Borrower may have the right to cure a default.

17. Default - Time is of the essence with respect to the payment of any indebtedness secured by this Deed of Trust and the performance of any agreement contained herein. Upon default in payment of any indebtedness secured by this Deed of Trust or in performance of any agreement herein, Lender may declare all sums secured hereby immediately due and payable. If it does so, Lender may proceed to foreclose this Deed of Trust in equity as a mortgage or direct the Trustee to foreclose this Deed of Trust by advertisement and sale, or may direct the Trustee to pursue any other right or remedy, either at law or in equity, which the Lender may have.

SEE PAGES 1, 2, 3, 5, 6 AND 7 FOR ADDITIONAL IMPORTANT TERMS

If Lender elects to foreclose by advertisement and sale, Lender or the Trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured by this Deed of Trust, whereupon the Trustee shall fix the time and place of sale, give notice of the sale as then required by law and proceed to foreclose this Deed of Trust in the manner provided in ORS 86.705-86.795.

Where the Trustee has commenced foreclosure of the Deed of Trust by advertisement and sale, any person so designated by ORS 86.753, including Borrower, may cure the default or defaults at any time prior to five days before the date last set for the sale. If the default consists of a failure to pay, when due, sums secured by the Deed of Trust, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering the performance required under the obligation or Deed of Trust. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to Lender all costs and expenses actually incurred in enforcing the obligation of the Deed of Trust together with Trustee's and attorney's fees not exceeding any limits provided by law.

In the absence of a cure, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which the sale is postponed under applicable law. The Trustee may sell the property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash. Any person including the Lender under the Deed of Trust but excluding the Trustee may bid at the sale.

Purchaser shall pay, at the time of the sale, the price bid and Trustee shall, within 10 days following payment, execute and deliver the Trustee's deed to the purchaser as required by law. The Trustee's deed shall convey to the purchaser the interest in the property which the Borrower had, or had the power to convey, at the time of the execution by the Borrower of the Deed of Trust, together with any interest the Borrower or the Borrower's successors in interest acquire after the execution of the Deed of Trust, but without any covenant or warranty, express or implied.

Trustee shall apply the proceeds of sale to payment of:

- (1) The expenses of the sale, including the compensation of the Trustee and a reasonable charge by the attorney.
- (2) To the obligation secured by the Deed of Trust
- (3) To all persons having recorded liens subsequent to the interest of the Trustee in the Deed of Trust as their interests may appear in the order of their priority.
- (4) The surplus, if any, to the Borrower of the Deed of Trust or to the successor in interest of the Borrower entitled to such surplus.

Neither the Trustee nor any Successor Trustee shall have any duty to notify any person or party of any proceeding with respect to such person or party, except a proceeding initiated by the Trustee or Successor Trustee.

18. Lender in Possession - Upon acceleration under paragraph 17 or abandonment of the Property, 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, issues and profits of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to 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 attorneys' fees, and then to the sums secured by this Deed of Trust. Lender shall have all rights under ORS 86.705-86.795.

19. Reconveyance - Upon payment of all sums secured by this Deed of Trust, Lender shall request the Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing debt secured by this Deed of Trust to the Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. The Trustee or Lender may charge a fee for services rendered in connection with the preparation, execution or recordation of a reconveyance, or request for a reconveyance, to the extent allowed by law. Such person or persons entitled to reconveyance shall pay any recordation costs.

20. Substitute Trustee - Any time after the Deed of Trust is executed, Lender may appoint, in writing, another qualified Trustee. If the appointment of the Successor Trustee is recorded in the mortgage

SEE PAGES 1, 2, 3, 4, 6 AND 7 FOR ADDITIONAL IMPORTANT TERMS

Initial(s) X

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records of the county or counties in which the Deed of Trust is recorded, the Successor Trustee shall be vested with all the powers of the original Trustee.

21. Riders to this Deed of Trust - If one or more riders are executed by Borrower and recorded together with this Deed of Trust, the covenants and agreements of each rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Deed of Trust as if the rider(s) were a part of this Deed of Trust.

22. Waiver of Homestead - Borrower hereby waives or releases any homestead of the Property described above, and this Deed of Trust shall be superior to the same.

23. Deed of Trust as Security - This Deed of Trust is given to secure prompt payment to Lender of all sums advanced pursuant to the Note, plus finance charges and other charges according to the terms of the Note. The Note provides for advances of funds to the Borrower from time to time pursuant to a line of credit granted by the Lender. This Deed of Trust secures each advance made pursuant to the Note and the security for each advance shall have a priority as of the date of recording of this Deed of Trust. The Deed of Trust also secures any extensions, renewals or modifications of the Note and the payment of any additional or subsequent advances or payments made by the Lender and the performance of all covenants, conditions and agreements contained in this Deed of Trust, and costs and expenses of collection enforcement to the extent not prohibited by law. The Note contains provisions allowing for monthly payment of the loan and this Deed of Trust shall secure all interest amounts accruing pursuant to those provisions. If the Note is terminated and canceled such that the Lender will no longer be obligated to advance funds to the Borrower under the terms of the Note and if the Borrower pays the Note, or causes it to be paid according to its terms, and pays all additional and subsequent advances made by the Lender according to the terms under which such advance is made and makes all other payments and performs all other terms, conditions, covenants and agreements contained in this Deed of Trust and the Note, then this Deed of Trust will become void and the lender will satisfy this Deed of Trust upon the Borrower's request.

24. Financing Statement - This Deed of Trust shall constitute a Financing Statement filed as a fixture filing and shall perfect any security interest(s) in the above-referenced manufactured housing unit granted or assigned to the Lender hereunder or pursuant to the Note or any other agreement or assignment whatsoever under the Uniform Commercial Code as adopted in the state in which the Property so secured by this Deed of Trust is located, from the date of its recording. The Borrower hereby grants to the Lender and the Lender has and may enforce a security interest in and to the above-referenced manufactured housing unit in addition to the lien hereby imposed upon the same as part of the Property.

25. Original and True Copies of This Deed of Trust - This Deed of Trust may be executed and then multiple copies made thereof as necessary, but only the instrument bearing original signatures shall be deemed the Original. No security interest in the subject real estate may be created other than through possession and recording of the Original.

SEE PAGES 1, 2, 3, 4, 5 AND 7 FOR ADDITIONAL IMPORTANT TERMS

2-2934F

Initial(s) *X*

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WARNING

Unless you provide us with evidence of the insurance coverage as required by our contract or loan agreement, we may purchase insurance at your expense to protect our interest. This insurance may, but need not, also protect your interest. If the collateral becomes damaged, the coverage we purchase may not pay any claim you make or any claim made against you. You may later cancel this coverage by providing evidence that you have obtained property coverage elsewhere.

You are responsible for the cost of any insurance purchased by us. The cost of this insurance may be added to your contract or loan balance. If the cost is added to your contract or loan balance, the interest rate on the underlying contract or loan will apply to this added amount. The effective date of coverage may be the date your prior coverage lapsed or the date you failed to provide proof of coverage.

The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Deed of Trust and in any rider(s) executed by Borrower and recorded with it.

Kathleen A. Benvegno
KATHLEEN A. BENVEGNO -Borrower

-Borrower

-Borrower

-Borrower

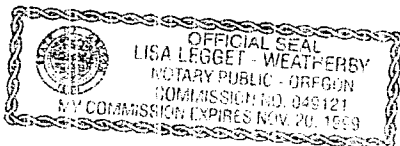
STATE OF OREGON

County of Klamath } SS.

The foregoing instrument was acknowledged before me this 1 day of July, 1999, by KATHLEEN A. BENVEGNO,

My commission expires: 11/20/99

Lisa Legget Weatherby
Notary Public



State of Oregon, County of Klamath
Recorded 7/20/99, at 11:35 a. m.
In Vol. M99 Page 28886
Linda Smith,
County Clerk Fee \$ 45.00 KR