

04 SEP 30 PM 2:03

Vol M04 Page 65956

State of Oregon, County of Klamath
Recorded 09/30/04 2:03 p m
Vol M04 Pg 65956-63
Linda Smith, County Clerk
Fee \$ 56.00 # of Pgs 8

AFTER RECORDING RETURN TO:

INDYMAC BANK, F.S.B.
3465 EAST FOOTHILL BLVD
PASADENA, CA 91107

Attn: Document Control

SEND TAX STATEMENTS TO:

RUDOLPH M REYES
3559 GUAVA WAY
OCEANSIDE, CA 92054

Loan Number: 120144519-PERM

ATC: 59812

LINE OF CREDIT INSTRUMENT

The maximum principal amount to be advanced pursuant to the Note secured by the attached deed of trust is \$ 1,108.00 . The maximum principal amount to be advanced may be exceeded, however, by principal advances made to complete construction of improvements upon the subject property.

Maturity date July 01, 2035 exclusive of options to renew or extend, if any.

DEED OF TRUST

(OREGON)

DATED: September 24, 2004

Grantor: RUDOLPH M REYES, Sandra M Brown

Trustee: WESTERN TITLE AND ESCROW

Beneficiary: INDYMAC BANK, F.S.B.

(Lender)

IndyMac Bank
Construction Recording Cover Sheet - Oregon

8480403 (0205)

VMP MORTGAGE FORMS (800)521-7291

DDS-LCI

HCL 916
05/02

56A

65957

TO BE RECORDED WITH THE SECURITY INSTRUMENT

Loan #: 120144519-PERM

Date: September 24, 2004

**LINE OF CREDIT INSTRUMENT
RESIDENTIAL CONSTRUCTION LOAN RIDER WITH
SECURITY AGREEMENT AND FINANCING STATEMENT
(Oregon)**

The attached Security Instrument secures, in addition to the sum evidenced by the Note, all funds hereafter advanced by Lender to or for the benefit of Borrower, as contained in the Agreement for the construction of improvements on the Property or for any other purpose. All future advances shall be made within the time limit authorized by the laws of Oregon. To the extent that moneys advanced by Lender are used to pay for the costs of acquiring the Property, the attached Security Instrument shall be a purchase money security interest. The maximum principal amount to be advanced pursuant to the Note secured by the attached Security Instrument is \$ 106,400.00 . The maximum principal amount to be advanced may be exceeded, however by principal advances made to complete construction of improvements to the Property.

The maturity date is July 01 , 2035 , exclusive of options to renew or extend, if any.

Words used in this Rider are defined below. Words in the singular mean and include the plural and vice versa.

"Agreement" means the Residential Construction Loan Agreement.

"Borrower" is RUDOLPH M REYES, Sandra M Brown

"Borrower's Funds Account" means any and all construction loan accounts established pursuant to the Agreement and held by Lender and used to deposit additional funds provided by Borrower.

"Contractor" is

REINHARDT CONSTRUCTION

and its successors or assigns.

IndyMac Bank, F.S.B.

Residential Construction Loan Rider to Security Instrument - Oregon

Page 1 of 6

8480406 (0311)

VMP Mortgage Solutions (800)521-7291

DDS-SIO

HCL 911(OR)

12/03

65958

"Improvements" are the improvements made to a single family residence *or* new construction of a single family residence.

"Lender" is INDYMAC BANK, F.S.B.,
A FEDERALLY CHARTERED SAVINGS BANK
and its successors or assigns.

"Note" means the promissory note of even date signed by Borrower in favor of Lender.

"Property" means the property commonly known as

APN R133947

GILCHRIST, OR 97737

"Security Instrument" means the Deed of Trust/Mortgage/Security Deed/Security Instrument of even date signed by Borrower in favor of Lender.

THIS RESIDENTIAL CONSTRUCTION LOAN RIDER shall be deemed to amend and supplement the Security Instrument of the same date given by the Borrower to secure Borrower's Note to Lender of the same date and covering the Property described in the Security Instrument.

AMENDED AND ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

1. **Residential Construction Loan Agreement.** Borrower agrees to comply with the covenants and conditions of the Agreement between Borrower, Lender and Contractor, which is incorporated herein by this reference and made a part of this Security Instrument. The Agreement provides for the construction of certain Improvements on the Property. All advances made by Lender pursuant to the Agreement shall be an indebtedness of Borrower secured by this Security Instrument as amended, and such advances may be obligatory under the terms of the Agreement. The Security Instrument secures the payment of all sums and the performance of all covenants required by Lender in the Agreement. Upon the failure of Borrower to keep and perform all the covenants, conditions and agreements of the 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. **Security Instrument.** This Security Instrument is a "construction mortgage" securing an obligation incurred for the construction of Improvements on the Property including the acquisition cost of the Property, if any, and any notes issued in extension, renewal, or substitution thereof.

3. **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 contained in the Contract and/or the Agreement for the construction of Improvements on the mortgaged property or for any other purpose. All future advances shall be made within the time limit authorized by the laws of this state. To the extent that moneys advanced by Lender are used to pay for the costs of acquiring the Property, this mortgage shall be a purchase money security interest.

4. **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 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 the highest rate which may be collected from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment therefore.

5. **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.

6. **Breach by Borrower.** In case of breach by Borrower of the covenants and conditions of the 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 Agreement, or (b) may accelerate the sums secured by this Security Instrument.

7. **Termination of Agreement upon Amortization.** After the commencement of amortization of the Note, the terms of the Agreement (except to the extent Lender is indemnified therein) shall be null and void, and there shall be no claim or defense arising out of or in connection with the Agreement against the obligations of the Note and this Security Instrument.

8. **Property.** The property covered by this Security Instrument includes the property described or referred to in this Security Instrument, together with the following, all of which are referred to as the "Property." The portion of 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," listed as follows:

Any and all buildings, improvements (provided in the Agreement or otherwise), and tenements now or hereafter erected on the Property; any and all heretofore and hereafter vacated alleys and streets abutting the Property, easements, rights, appurtenances, rents (subject however to any assignment of rents to Lender), leases, royalties, mineral, oil and gas rights and profits, water, water rights and water stock appurtenant to the Property (to the extent they are included in Borrower's fee simple title); any and all fixtures, machinery, equipment, building materials, appliances, and goods of every nature whatsoever now or hereafter located in, or on, or used, or intended to be used in connection with the Property and all replacements and accessions of them, 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 cabinets; interior and exterior sprinkler plant and lawn maintenance equipment; fire prevention and extinguishing apparatus and equipment, water tanks, swimming pool, compressor, vacuum cleaning system, disposal, dishwasher, range, and oven, any

shrubbery and landscaping; any and all plans and specifications for development of or construction of Improvements upon the Property; any and all contracts and subcontracts relating to the Property; any and all accounts, contract rights, instruments, documents, general intangibles, and chattel paper arising from or by virtue of any transactions related to the Property; any and all permits, licenses, franchises, certifications, and other rights and privileges obtained in connection with the Property; any and all products and proceeds arising from or by virtue of the sale, lease, or other disposition of any of the Property; any and all proceeds payable or to be payable under each policy of insurance relating to the Property; any and all proceeds arising from the taking of all or part of the Property for any public or quasi-public use under any law, or by right of eminent domain, or by private or other purchase in lieu thereof; all building permits, certificates of occupancy, certificates of compliance, any right to use utilities of any kind including water, sewage, drainage and any other utility rights, however arising whether private or public, present or future, including any reservation, permit, letter, certificate, license, order, contract or otherwise and any other permit, letter, certificate, license, order, contract or other document or approval received from or issued by any 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.

The Personal Property also includes the Borrower's Funds Account, together with any interest accruing thereon and proceeds thereof.

9. Security Agreement and Financing Statement. This Security Instrument shall be a 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 applicable statutes of this state, as well as a Mortgage and/or a Deed of Trust granting a lien upon and against the Real Property. In the event of any foreclosure sale all of the Real and Personal Property may, at the option of Lender, be sold as a whole or in any part. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender shall have all the rights, remedies and recourses with respect to the Personal Property afforded to a "Secured Party" by the applicable statutes of this state in addition to and not in limitation of the other rights and recourse afforded Lender 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, collection from, or other realization upon any property, real and/or personal, described in this Security Instrument, (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; or (v) any actions taken by Lender for any reason whatsoever in any case or proceeding under Chapter 7, 11, or 13 of the Bankruptcy Code or any successor statute thereto, including, but not limited to, action taken with respect to issues particular to federal bankruptcy law.

65961

Lender may, at its election, at any time after the delivery of this Security Instrument, sign one or more copies of this Security Instrument in order that such copies may be used as a financing statement under the statutes of this state. Lender's signature need not be acknowledged, and is not necessary to the effectiveness hereof as a mortgage, a security agreement, or (unless otherwise required by applicable law) a financing statement.

10. Completion. Lender shall not be responsible for the completion of the Improvements, and shall not in any way be considered a guarantor or surety of performance by Borrower. In the event the Improvements are not completed according to the plans and specifications approved by Lender, and it is determined for whatever reason the Lender does not have a lien arising by or through Borrower, then Lender shall have a valid lien for its loan amount, less the amount reasonably 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.

11. 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.

12. Address.

The name and address of the Borrower/Debtor during construction of the Improvements is: RUDOLPH M REYES, Sandra M Brown

3559 GUAVA WAY
OCEANSIDE, CA 92054

The name and address of the Lender/Secured Party is:


INDYMAC BANK, F.S.B..
A FEDERALLY CHARTERED SAVINGS BANK
3465 EAST FOOTHILL BLVD
PASADENA, CA 91107

13. Other Provisions. The following notice is required by law:

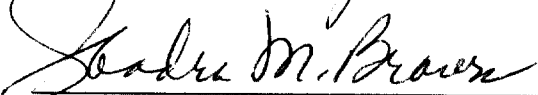
THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES AND TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES AS DEFINED IN ORS 30.930.

65962

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Residential Construction Loan Rider.



RUDOLPH M REYES (Seal)
-Borrower



Sandra M Brown (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

ATTENTION OFFICIAL RECORDER OF INSTRUMENTS: This instrument covers goods that are or are to become fixtures on the described Property herein and is to be filed for record in the District Recorder's records where mortgages on real estate are recorded. Additionally, this instrument should be appropriately indexed, not only as a mortgage but as a financing statement covering goods that are or are to become fixtures on the described Property herein. The mailing address of the Borrower (Debtor) and Lender (Secured Party) are set forth in this instrument.

_____[Please See Attached Acknowledgment(s)]_____

65963

Lot 12, Block 6, JACK PINE VILLAGE, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.