

Recordation Requested by:
1ST SECURITY BANK OF WASHINGTON
6920 220TH ST SW
MOUNTLAKE TERRACE, WA 98043

2015-012442
Klamath County, Oregon
11/13/2015 03:40:55 PM
Fee: \$132.00

When Recorded Mail to:
1st Security Bank Home Lending
6920 220th St SW
Mountlake Terrace, WA 98043

Send Tax Notices to:
1st Security Bank Home Lending
6920 220th St SW
Mountlake Terrace, WA 98043

57000AM

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LOAN# 234008526
State of Oregon

FHA Case Number

431-6139499-703

DEED OF TRUST

MIN 1010476-0234008526-9

PARCEL TAX ID#: R231035B0 05200 - SPLIT RAIL RANCHOS

THIS DEED OF TRUST ("Security Instrument") is made on November 12th, 2015
MICHAEL J ANDERSON

. The trustor is

whose address is 52635 AMMON ROAD, LAPINE, OR 97738

("Borrower"). The trustee is AMERITITLE INC

("Trustee"). The Beneficiary is 1ST SECURITY BANK OF WASHINGTON

which is organized and existing under the laws of THE STATE OF WASHINGTON
address is 6920 220TH ST SW, MOUNTLAKE TERRACE, WA 98043

, and whose

("Lender").
"MERS" is the Mortgage Electronic Registration Systems, Inc. Lender has appointed MERS as the nominee for Lender for this Loan, and attached a MERS Rider to this Security Instrument, to be executed by Borrower, which further describes the relationship between Lender and MERS, and which is incorporated into and amends and supplements this Security Instrument. Borrower owes Lender the principal sum of ONE HUNDRED SEVENTEEN THOUSAND FOUR HUNDRED TWO AND NO/100
Dollars (U.S. \$ 117,402.00).

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 December 1st, 2045. This Security Instrument secures to Lender: (a) the repayment 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 and conveys to Trustee, in trust, with power of sale, the following described property located in KLAMATH County, Oregon:
SEE ATTACHED LEGAL

which has the address of 9818 SPLIT RAIL RD, LA PINE
Oregon 97739 ("Property Address");
[Zip Code]

[Street, City],

OREGON - Single Family - FHA SECURITY INSTRUMENT - 1/96

GCC - m1590-1OR (10/14)

Page 1 of 7

Return to:

 AmeriTitle



TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions 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 Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations 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, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and late charges due under the Note.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, a sum of (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium to the Secretary of Housing and Urban Development ("Secretary"), or in any year in which such premium would have been required if Lender still held the Security Instrument, each monthly payment shall also include either: (i) a sum for the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary, in a reasonable amount to be determined by the Secretary. Except for the monthly charge by the Secretary, these items are called "Escrow Items" and the sums paid to Lender are called "Escrow Funds".

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the maximum amount that may be required for Borrower's escrow account under the Real Estate Settlement Procedures Act of 1974, 12 U.S.C. section 2601 et seq. and implementing regulations, 12 CFR Part 1024, as they may be amended from time to time ("RESPA"), except that the cushion or reserve permitted by RESPA for unanticipated disbursements or disbursements before the Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance premium.

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA, Lender shall account to Borrower for the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not sufficient to pay the Escrow Items when due, Lender may notify the Borrower and require Borrower to make up the shortage as permitted by RESPA.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. If Borrower tenders to Lender the full payment of all such sums, Borrower's account shall be credited with the balance remaining for all installment items (a), (b) and (c) and any mortgage insurance premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b) and (c).

3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the Secretary instead of the monthly mortgage insurance premium;

Second, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

Third, to interest due under the Note;

Fourth, to amortization of the principal of the Note; and

Fifth, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the



monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument (or within sixty days of a later sale or transfer of the Property) and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

7. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the Note rate, and at the option of Lender shall be immediately due and payable.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to the Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

(i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or

(ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law (including section 341(d) of the Garn-St Germain Depository Institutions Act of 1982, 12 U.S.C. 1701j-3(d)) and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:



- (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent), and
- (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) **No Waiver.** If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) **Regulations of HUD Secretary.** In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(e) **Mortgage Not Insured.** Borrower agrees that if this Security Instrument and the Note are not determined to be eligible for insurance under the National Housing Act within 3 Days from the date hereof, Lender may, at its option require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 3 Days from the date hereof, declining to insure this Security Instrument and the Note, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. **Reinstatement.** Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of 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 Borrower's successor 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 Security Instrument 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.

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 9(b). 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 mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (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, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **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 Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any 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.

14. **Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

16. **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 anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.



Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 16, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 16, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 17.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

18. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees and costs of title 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 cause the Property to be sold and shall cause such notice to be recorded in each 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 to Borrower and to other persons prescribed by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property 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 expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

If the Lender's interest in this Security Instrument is held by the Secretary and the Secretary requires immediate payment in full under paragraph 9, the Secretary may invoke the nonjudicial power of sale provided in the Single Family Mortgage Foreclosure Act of 1994 ("Act") (12 U.S.C. 3751 et seq.) by requesting a foreclosure commissioner designated under the Act to commence foreclosure and to sell the Property as provided in the Act. Nothing in the preceding sentence shall deprive the Secretary of any rights otherwise available to a Lender under this paragraph 18 or applicable law.

19. Reconveyance. Upon payment of all sums secured by this Security Instrument, Lender shall request Trustee to reconvey the Property and shall surrender this Security Instrument and all notes evidencing debt secured by this Security Instrument to Trustee. Trustee shall reconvey the Property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for reconveying the Property, but only if the fee is paid to a third party (such as the Trustee) for services rendered and the charging of the fee is permitted under Applicable Law.

20. Substitute Trustee. Lender may from time to time remove Trustee and appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.



21. **Attorney's Fees.** As used in this Security Instrument and in the Note, "attorneys' fees" shall include any attorneys' fees awarded by an appellate court.

22. **Protective Advances.** This Security Instrument secures any advances Lender, at its discretion, may make under Section 7 of this Security Instrument to protect Lender's interest in the Property and rights under this Security Instrument.

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

☐ Condominium Rider ☐ Growing Equity Rider
☐ Graduated Payment Rider ☐ Planned Unit Development Rider
☒ Other(s) [specify] MERS RIDER, MANUFACTURED HOME RIDER

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.

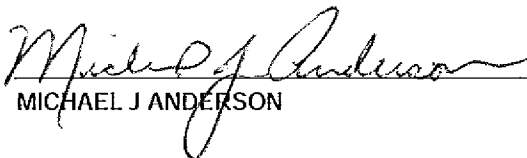
The coverage we purchase may be considerably more expensive than insurance you can obtain on your own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by Applicable Law.

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

Witnesses:

N/A - WASHINGTON

N/A - WASHINGTON

 (Seal)
MICHAEL J ANDERSON -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower



INDIVIDUAL ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF Deschutes

)
) SS
)

On this day before me, the undersigned Notary Public, personally appeared MICHAEL J ANDERSON

, to me known to be the individual(s) described in and who executed the Deed of Trust, and acknowledged that ~~he/she/they~~ signed the Deed of Trust as ~~his/her/their~~ free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this

12

day of

Nov

, 2015

By

[Signature]

Residing at

La Pine

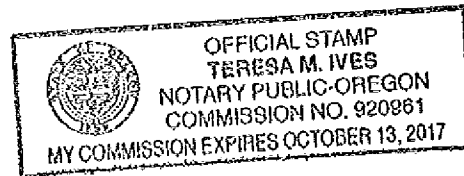
Notary Public in and for the State of OREGON

My commission expires

10/13/17

Prepared By:

1ST SECURITY BANK OF WASHINGTON
6920 220TH ST SW
MOUNTLAKE TERRACE, WA 98043



NMLSR ID: 761985

NMLSR (L.O.) ID: 487512 (DAVID PEARSON)

Loan Originator: 1ST SECURITY BANK OF WASHINGTON



LOAN# 234008526

MANUFACTURED HOME RIDER TO SECURITY INSTRUMENT

LOAN# 234008526

This Rider is made this 12th day of November, 2015
and is incorporated into and amends and supplements the Mortgage, Open-End Mortgage, Deed
of Trust, or Credit Line Deed of Trust, Security Deed (the "Security Instrument") of the same
date given by the undersigned (the "Borrower") to secure the Borrower's Note (the "Note") to
1ST SECURITY BANK OF WASHINGTON

"Lender") of the same date and covering the property described in the Security Instrument and
located at:

9818 SPLIT RAIL RD LA PINE, OR 97739

[Property Address]

Borrower and Lender agree that the Security Instrument is amended and supplemented
to read as follows:

1. **Meaning of Some Words.** As used in this Rider, the term "Loan Documents" means
the Note, the Security Instrument and any Construction Loan Agreement, and the
term "Property", as that term is defined in the Security Instrument, included the
"Manufactured Home" described in paragraph 3 of this Rider. All terms defined in
the Note, the Security Instrument shall have the same meaning in this Rider.

2. **Purpose and Effect of Rider.** IF THERE IS A CONFLICT BETWEEN THE
PROVISIONS IN THIS RIDER AND THOSE IN THE SECURITY INSTRUMENT,
THE PROVISIONS IN THIS RIDER SHALL CONTROL THE CONFLICTING
PROVISIONS IN THE SECURITY INSTRUMENT WILL BE ELIMINATED OR
MODIFIED AS MUCH AS IS NECESSARY TO MAKE THE CONFLICTING
TERMS AGREE WITH THIS RIDER.

3. **Lender's Security Interest.** All of the Borrowers obligations secured by this Security
Instrument also shall be secured by the Manufactured Home:

NEW 2015

REDWOOD

INS 381F

SERIAL#

28/38

New/Used Year Manufacturer's Name Model Name or Model No. Serial No. Length and Width

4. **Affixation.** Borrower covenants and agrees:

GCC-MANURIDER-1 (11/06)r

Page 1 of 3

Initials: 



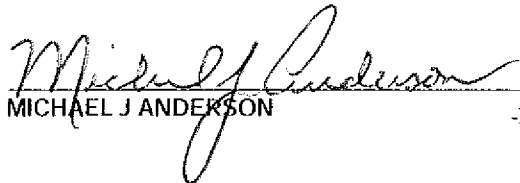
- (a) to affix the Manufactured Home to a permanent foundation on the Property;
 - (b) to comply with all Applicable Law regarding the affixation of the Manufactured Home to the Property;
 - (c) upon Lender's request, to surrender the certificate of title to the Manufactured Home, if surrender is permitted by Applicable law, and to obtain the requisite governmental approval and documentation necessary to classify the Manufactured Home as real property under Applicable Law;
 - (d) that affixing the Manufactured Home to the Property does not violate any zoning laws or other local requirements applicable to the Property;
 - (e) that the Manufactured Home will be, at all times and for all purposes, permanently affixed to and part of the Property.
5. **Charges; Liens.** Section 4, Paragraph 1 of this Security Instrument is amended to add a new third sentence to read:
Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph and receipts evidencing the payments.
6. **Property Insurance.** Section 5, Paragraph 1 of the Security Instrument is amended to add a new second sentence to read:
Whenever the Manufactured Home is transported on the highway, Borrower must have trip insurance.
7. **Notices.** The second sentence of Section 15 of the Security Instrument is amended by inserting the words "unless otherwise required by law" at the end.
8. **Additional Events of Default.** Borrower will be in default under the Security Instrument:
- (a) if any structure on the Property; including the Manufactured Home, shall be removed, demolished, or substantially altered;
 - (b) if Borrower fails to comply with any requirement of Applicable Law (Lender, however may comply and add the expense to the principal balance Borrower owes to Lender); or
 - (c) if Borrower grants or permits any lien on the Property other than the Lender's lien, or liens for taxes and assessment that are not due and payable.
9. **Notice of Default.** If required by Applicable Law, before using a remedy, Lender will send Borrower any notice required by law, and wait for any cure period that the law may require for that remedy.
10. **Additional Rights of Lender in the Event of Foreclosure and Sale.** In addition to those rights granted in the Note and Security Instrument, Lender shall have the following rights in the event Lender commences proceedings for the foreclosure and sale of the Property:
- (a) At Lender's option, to the extent permitted by Applicable law, Lender may elect to treat the Manufactured Home as personal property ("Personal Property Collateral"),



Lender may repossess peacefully from the place where the Personal Property Collateral is located without Borrower's permission. Lender also may require Borrower to make the Personal Property Collateral available to Lender at a place Lender designates that is reasonably convenient to Lender and Borrower. At Lender's option, to the extent permitted by Applicable Law, Lender may detach and remove Personal Property Collateral from the Property, or Lender may take possession of it and leave it on the Property. Borrower agrees to cooperate with Lender if Lender exercises these rights.

- (b) After Lender repossesses, Lender may sell the Personal Property Collateral and apply the sale proceeds to Lender's reasonable repossession, repair, storage, and sale expenses, and then toward other amounts Borrower owes under the Loan Documents.
- (c) In the event of any foreclosure sale, whether made by Trustee, or under judgement of a court, all of the real and Personal Property Collateral may, at the option of Lender, be sold as a whole or in parcels. It shall not be necessary to have present at the place of such sale the Personal Property Collateral or any part thereof. Lender, as well as Trustee on Lender's behalf, shall have all the rights, remedies and recourse with respect to the Personal Property Collateral afforded to a "Secured Party" by Applicable Law in addition to, and not in limitation of, the other rights and recourse afforded Lender and/or Trustee under the Security Instrument.

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

 (Seal)
MICHAEL J ANDERSON -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

Drafted By: _____



MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC. RIDER - FHA
(MERS Rider)

LOAN# 234008526

FHA Case Number
431-6139499-703

THIS MORTGAGE ELECTRONIC REGISTRATION SYSTEMS (MERS), INC. RIDER is made this
12th day of November, 2015, and is incorporated into and shall be deemed to
amend and supplement the Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date,
given by the undersigned (Borrower) to secure Borrower's Note (Note) to 1ST SECURITY BANK OF
WASHINGTON

(Lender) of the same date and covering the Property described in the Security Instrument and located at:

9818 SPLIT RAIL RD LA PINE, OR 97739

[Property Address]

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

A. The Lender is the beneficiary under his Security Instrument. The term "Lender" includes any
successors and assigns of Lender and Mortgage Electronic Registration Systems, Inc. MERS is a separate
corporation that is the Nominee for Lender and is acting solely for Lender. MERS is organized and existing under
the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel.
(888) 679-MERS. MERS is appointed as the Nominee for Lender to exercise the rights, duties and obligations of
Lender as Lender may from time to time direct, including but not limited to appointing a successor trustee,
assigning, or releasing, in whole or in part this Security Instrument, foreclosing or directing Trustee to institute
foreclosure of this Security Instrument, or taking such other actions as Lender may deem necessary or appropriate
under this Security Instrument. The term "MERS" includes any successors and assigns of MERS. This
appointment shall inure to and bind MERS, its successors and assigns, as well as Lender, until MERS' Nominee
Interest is terminated.

B. The Nominee means one designated to act for another as its representative for a limited purpose.

C. Section 13, Notices, of the Security Instrument is amended to read as follows:

13. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in
writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given
to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by
other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly

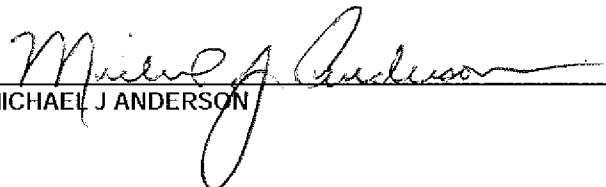


requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Borrower acknowledges that any notice Borrower provides to Lender must also be provided to MERS as Nominee for Lender until MERS' Nominee interest is terminated. Any notice provided by Borrower in connection with this Security Instrument will not be deemed to have been given to MERS until actually received by MERS. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

D. Section 20 of the Security Instrument is amended to read as follows:

20. Substitute Trustee. In accordance with Applicable Law, Lender or MERS may from time to time appoint a successor trustee to any Trustee appointed hereunder who has ceased to act. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by Applicable Law.

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


MICHAEL J ANDERSON (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower



PLANNED UNIT DEVELOPMENT RIDER

LOAN# 234008526

FHA Case Number 431-6139499-703

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 12th day of November, 2015, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (Security Instrument) of the same date, given by the undersigned (Borrower) to secure Borrower's Note (Note) to 1ST SECURITY BANK OF WASHINGTON, a Savings Bank

(Lender) of the same date and covering the Property described in the Security Instrument and located at:
9818 SPLIT RAIL RD LA PINE, OR 97739

[Property Address]

The Property Address is a part of a planned unit development (PUD) known as:
Split Rail Rancho

[Name of Planned Unit Development]

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

A. So long as the Owners Association (or equivalent entity holding title to common areas and facilities), acting as trustee for the homeowners, maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the property located in the PUD, including all improvements now existing or hereafter erected on the mortgaged premises, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard.



In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.

B. Borrower promises to pay all dues and assessments imposed pursuant to the legal instruments creating and governing the PUD.

C. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.


MICHAEL J. ANDERSON (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

[Sign Original Only]



**MANUFACTURED HOME AFFIDAVIT OF AFFIXATION
RIDER TO DEED OF TRUST**

State of: **OREGON**

Loan No: **234008526**

County of: **KLAMATH COUNTY**

This Manufactured Home Affidavit of Affixation is made **November 12th, 2015** and is incorporated into and shall be deemed to supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower" or "Homeowner") to secure Borrower's Note to the Lender:

1st Security Bank of Washington, a Savings Bank
6920 220th St SW
Mountlake Terrace, WA 98043

Borrower and Lender state that it is their intent that the manufactured home be and remain permanently attached to and part of the real property, and that it be regarded as an immovable fixture thereto and not as personal property.

"Homeowner" being duly sworn on his or her or their oath state(s) as follows:

1. Homeowner owns the manufactured home ("Home) described as follows:

New/Used:	New
Year:	2015
Length/Width:	28/38
Manufacturer/Make	REDWOOD / INS 381F
Serial No:	INS 381F / 2015

2. The Home was built in compliance with the federal Manufactured Home Construction and Safety Standards Act.
3. If the Homeowner is the first retail buyer of the Home, Homeowner is in receipt (i) the manufacturer's warranty for the home, (ii) the consumer manual for the Home, (iii) the insulation Disclosure for the Home, and (iv) the formaldehyde health notice for the Home.
4. The Homeowner is in receipt of manufacturer's recommended maintenance program regarding the carpets and manufacturer's warranties covering the heating/cooling system, hot water heater, range, etc.

regarding the carpets and manufacturer's warranties covering the heating/cooling system, hot water heater, range, etc.

5. The Home is or will be located at the following "Property Address"

9818 SPLIT RAIL RD LA PINE, OR 97739
(Street or Route, City) (County) (State, Zip Code)

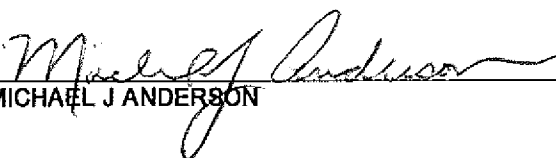
6. The legal description of the Property Address ("Land") is typed below or please see the attached legal description.

SEE ATTACHED LEGAL

7. The Homeowner is the owner of the Land or, if not the owner of the Land, is in possession of the real property pursuant to a lease in recordable form, and the consent of the lessor is attached to this affidavit.
8. The Home is or shall be anchored to the Land by attachment to a permanent foundation, constructed in accordance with applicable state and local building codes and manufacturer's specifications in a manner sufficient to validate any applicable manufacturer's warranty, and permanently connected to appropriate residential utilities (e.g., water, gas, electricity, sewer) ("Permanently Affixed"). The Homeowner intends that the Home be an immovable fixture and a permanent improvement to the land.
9. The Home shall be assessed and taxed as an improvement to the Land. The Homeowner understands that if the Lender does not escrow for these taxes, that the Homeowner will be responsible for payment of such taxes.
10. The Home is subject to the following security interests (each, a "Security Interest");

Lienholder: 1st Security Bank of Washington
6920 220th St SW
Mountlake Terrace, WA 98043
Original Principal Balance
Secured:

11. Homeowner agrees that as of today, or if the Home is not yet located to the Property Address, upon the delivery of the Home to the Property address:
- a. All permits required by governmental authorities have been obtained;
 - b. The foundation system for the Home was designed by an engineer to meet the soil conditions of the Land. All foundations are constructed in accordance with applicable state and local building codes and manufacturer's specifications in a manner sufficient to validate any applicable manufacturer's warranty;
 - c. If piers are used for the Home, they will be placed where recommend by the Home manufacturer;
 - d. The wheels, axles, towbar or hitch were removed when the Home was placed on the Property Address; and
 - e. The Home is (i) Permanently Affixed to a foundation, (ii) has the characteristics of site-built housing, and (iii) is part of the land.
12. If the Homeowner is the owner of the Land, any conveyance or financing of the Home and the Land shall be a single transaction under applicable state law.
13. Other than those disclosed in the Affidavit, the Homeowner is not aware of (i) any other claim, lien or encumbrances affecting the Home, (ii) any facts or information known to the Homeowner that could reasonable affect the validity of the title of the Home or the existence or non-existence of security interest in it.
14. The Homeowner hereby certifies that the manufacturer's certificate of original and/or certificate of title to Home shall be or has been eliminated as required by applicable law.
15. This Affidavit is executed by Homeowner pursuant to applicable state law. This Affidavit is executed by Homeowner(s) and Lienholder pursuant to applicable state law and shall be recorded in the real property records in the county in which the real property and the manufactured home are located.

 (Seal)
MICHAEL J ANDERSON - Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

____ (Seal)
- Borrower

Lender: 1st Security Bank of Washington

By: Authorized Signature

EXHIBIT "A"

57000AM

Lot 54, Block 2, Tract No. 1098, Split Rail Ranchos, according to the official plat thereof on file in the office of the County Clerk, Klamath County, Oregon.