

2021-012327

Klamath County, Oregon

08/12/2021 10:35:00 AM

Fee: \$167.00

Requested by and returned to:
Reverse Mortgage Funding LLC
Attn: Final Docs 3001 Technology Drive
Edmond, OK 73013

FHA Case Number: 431-7344077-962
Loan Number: 2521054142

State of Oregon

**ADJUSTABLE RATE
LINE OF CREDIT SECOND DEED OF TRUST
(HOME EQUITY CONVERSION)
THIS DEED OF TRUST SECURES A REVERSE MORTGAGE LOAN**

THIS DEED OF TRUST ("Security Instrument" or "Second Security Instrument") is made on **August 06, 2021**. The trustor is **Gregory C. Davis and Freddie S. Davis, as Tenants by the Entirety**, whose address is **8353 Arant Road, Klamath Falls, OR 97603** ("Borrower"). The term "Borrower" does not include the Borrower's successors and assigns. The trustee is the SENIOR OFFICIAL WITH RESPONSIBILITY FOR SINGLE FAMILY MORTGAGE INSURANCE PROGRAMS IN THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FIELD OFFICE WITH JURISDICTION OVER THE PROPERTY DESCRIBED BELOW, OR A DESIGNEE OF THAT OFFICIAL ("Trustee"). The beneficiary is the Commissioner of Housing and Urban Development, whose address is 451 Seventh Street, S.W., Washington, DC 20410, ("Lender" or "Commissioner"). Borrower has agreed to repay to Lender amounts which Lender is obligated to advance, including future advances, under the terms of a Home Equity Conversion Mortgage Adjustable Rate Loan Agreement dated the same date as this Security Instrument ("Loan Agreement"). The agreement to repay is evidenced by Borrower's Adjustable Rate Second Note dated the same date as this Security Instrument ("Second Note"). This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Second Note, including all future advances, with interest at a rate subject to adjustment, and all renewals, extensions and modifications of the Second Note, up to a maximum principal amount of **Nine Hundred Forty-Five Thousand and 00/100 Dollars (U.S.\$945,000.00)**; (b) the payment of all other sums, with interest, advanced under Paragraph 5 to protect the security of this Security Instrument or otherwise due under the terms of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Second Note and the Loan Agreement. The full debt, including all amounts described in (a), (b), and (c) above, if not paid earlier, is due and payable on **February 21, 2104**. 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**, which has the address of:

8353 Arant Road, Klamath Falls, OR 97603, and is described more fully on Exhibit A attached to and hereby incorporated into this Deed of Trust ("Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights,

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042

ULI:
3493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 1 of 11

Revised 06/25/2021



252105414211 1172 057 0111

OLD REPUBLIC TITLE SS12007312

Amerititle 4107361 AM

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 seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is only encumbered by a First Security Instrument given by Borrower and dated the same date as this Security Instrument ("First Security Instrument"). 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 and Interest. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Second Note.

2. Payment of Property Charges. Borrower shall pay all property charges consisting of property taxes, hazard insurance premiums, flood insurance premiums, ground rents, condominium fees, planned unit development fees, homeowner's association fees, and any other special assessments that may be required by local or state law in a timely manner, and shall provide evidence of payment to Lender, unless Lender pays property charges by withholding funds from monthly payments due to the Borrower or by charging such payments to a line of credit as provided for in accordance with the Loan Agreement.

3. 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 but not limited to fire and flood, for which Lender requires insurance. Such insurance shall be maintained in the amounts and for the periods that Lender requires; Lender has the discretion to increase or decrease the amount of any insurance required at any time provided the amount is equal to or greater than any minimum required by the Commissioner of Housing and Urban Development ("Commissioner"). Whether or not Lender imposes a flood insurance requirement, Borrower shall at a minimum insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Commissioner. 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 to Lender, instead of to Borrower and Lender jointly. Insurance proceeds shall be applied to restoration or repair of the damaged Property, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied first to the reduction of any indebtedness under the Second Note and this Security Instrument and then to the reduction of the indebtedness under the First Note and First Security Instrument. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Second Note and this Security Instrument and the First Note and First 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.

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:

5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 2 of 11

Revised 06/25/2021



252105414211 1172 057 0211

4. 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 after the execution of this Security Instrument and Borrower (or at least one Borrower, if initially more than one person are Borrowers) shall continue to occupy the Property as Borrower's Principal Residence for the term of the Security Instrument.

Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. 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 merger in writing.

5. 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. Borrower shall promptly discharge any lien which has priority over this Security Instrument in the manner provided in Paragraph 14(C).

If Borrower fails to make these payments or pay the property charges 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 property taxes, hazard insurance and other items mentioned in Paragraph 2.

To protect Lender's security in the Property, Lender shall advance and charge to Borrower all amounts due to the Commissioner for the Mortgage Insurance Premium ("MIP") as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities ("Servicing Fee") as defined in the Loan Agreement. Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower as provided for in the Loan Agreement and shall be secured by this Security Instrument.

6. Inspection. Lender or its agent may enter on, inspect or make appraisals of the Property in a reasonable manner and at reasonable times provided that Lender shall give the Borrower notice prior to any inspection or appraisal specifying a purpose for the inspection or appraisal which must be related to Lender's interest in 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 without notice to the Borrower.

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 place of condemnation, shall be paid to Lender. The proceeds shall be applied first to the reduction of any indebtedness under the Second Note and this Security Instrument and then to the reduction of the indebtedness under the First Note and First Security Instrument. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Second Note and this Security Instrument and the First Note and First Security Instrument shall be paid to the entity legally

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 3 of 11

Revised 06/25/2021



252105414211 1172 057 0311

entitled thereto.

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

9. **Non-Borrowing Spouse.** Borrower, N/A, is married under the laws of N/A to N/A ("Non-Borrowing Spouse"), who is not a Borrower under the terms of the "Second Note," "Loan Agreement" or this Security Instrument.

(A) **Eligible Non-Borrowing Spouse.** A Non-Borrowing Spouse identified by the Borrower who meets, and continues to meet, the Qualifying Attributes requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for the Deferral Period.

(B) **Ineligible Non-Borrowing Spouse.** A Non-Borrowing Spouse who does not meet the Qualifying Attributes requirements established by the Commissioner that the Non-Borrowing Spouse must satisfy in order to be eligible for the Deferral Period.

10. **Grounds for Acceleration of Debt.**

(A) **Due and Payable – Death.**

(i) Except as provided in Paragraph 10(A)(ii), Lender may require immediate payment in full of all sums secured by this Security Instrument if a Borrower dies and the Property is not the Principal Residence of at least one surviving Borrower, or

(ii) Lender shall defer the Due and Payable requirement under Paragraph 10(A)(i) above for any period of time ("Deferral Period") in which a Non-Borrowing Spouse identified in Paragraph 9 qualifies as an Eligible Non-Borrowing Spouse resides in the Property as [his/her] Principal Residence and all of the following conditions are, and continue to be, met:

- a. Such Eligible Non-Borrowing Spouse remained the spouse of the identified Borrower for the duration of such Borrower's lifetime;
- b. Such Eligible Non-Borrowing Spouse has occupied, and continues to occupy, the Property securing as [his/her] Principal Residence;
- c. Such Eligible Non-Borrowing Spouse has established legal ownership or other ongoing legal right to remain in the Property;
- d. All other obligations of the Borrower under the Second Note, the Loan Agreement and this Security Instrument continue to be satisfied; and
- e. The Second Note is not eligible to be called due and payable for any other reason.

This sub-paragraph (ii) is inapplicable or null and void if an Eligible Non-Borrowing Spouse is or becomes an Ineligible Non-Borrowing Spouse at any time. Further, during a deferral of the due and payable status, should any of the conditions for deferral cease to be met such a deferral shall immediately cease and the Note will become immediately due and payable in accordance with the provisions of Paragraph 7(A)(i) of the Note.

(B) **Due and Payable – Sale.** Lender may require immediate payment in full of all sums secured by this Security Instrument if all of a Borrower's title in the Property (or his or her beneficial interest in a trust owning all or part of the Property) is sold or otherwise transferred and no other Borrower retains title to the Property in fee simple, or retains a leasehold under a lease for not less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower, or retains a life estate (or retaining a beneficial interest in a trust with such an interest in the Property). A deferral of due and payable status is not permitted when a Lender requires immediate payment in full under this

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042

ULI:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 4 of 11

Revised 06/25/2021



252105414211 1172 057 0411

Paragraph.

(C) Due and Payable with Commissioner Approval. Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval of the Commissioner, if:

(i) The Property ceases to be the Principal Residence of a Borrower for reasons other than death and the Property is not the Principal Residence of at least one other Borrower; or

(ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness and the Property is not the Principal Residence of at least one other Borrower; or

(iii) An obligation of the Borrower under this Security Instrument is not performed.

A deferral of due and payable is not permitted when a Lender requires immediate payment in full under Paragraph 10(C).

(D) Notice to and Certification to Lender. Borrower shall complete and provide to the Lender on an annual basis a certification, in a form prescribed by the Lender, stating whether the property remains the Borrower's principal residence and, if applicable, the Principal Residence of his or her Non-Borrowing Spouse. Where a Borrower has identified a Non-Borrowing Spouse in Paragraph 9 and the identified Non-Borrowing Spouse qualifies as an Eligible Non-Borrowing Spouse, the Borrower shall also complete and provide to the Lender on an annual basis an Eligible Non-Borrowing Spouse certification, in a form prescribed by the Lender, certifying that all requirements for the application of a Deferral Period continue to apply and continue to be met. During a Deferral Period, the annual Principal Residence certification must continue to be completed and provided to the Lender by the Eligible Non-Borrowing Spouse. The Borrower shall also notify Lender whenever any of the events listed in Paragraph 10(B) and (C) occur.

(E) Notice to Borrower. Lender shall notify Borrower whenever the loan becomes due and payable under Paragraph 10(B) and (C). Lender shall not have the right to commence foreclosure until Borrower has had thirty (30) days after notice to either:

(i) Correct the matter which resulted in the Security Instrument coming due and payable; or

(ii) Pay the balance in full; or

(iii) Sell the Property for the lesser of the balance or ninety-five percent (95%) of the appraised value and apply the net proceeds of the sale toward the balance; or

(iv) Provide the Lender with a deed in lieu of foreclosure.

(F) Notice to Commissioner and Eligible Non-Borrowing Spouse. Lender shall notify the Commissioner and any Non-Borrowing Spouse identified in Paragraph 9 who qualifies as an Eligible Non-Borrowing Spouse whenever any event listed in Paragraph 10(B) and (C) occurs during a Deferral Period.

(G) Trusts. Conveyance of a Borrower's interest in the Property to a trust which meets the requirements of the Commissioner, or conveyance of a trust's interests in the Property to a Borrower, shall not be considered a conveyance for purposes of this Paragraph 10. A trust shall not be considered an occupant or be considered as having a principal residence for purposes of this Paragraph 10.

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 5 of 11

Revised 06/25/2021



252105414211 1172 057 0511

11. No Deficiency Judgments. Borrower shall have no personal liability for payment of the debt secured by this Security Instrument. Lender may enforce the debt only through sale of the Property. Lender shall not be permitted to obtain a deficiency judgment against Borrower if the Security Instrument is foreclosed.

12. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full. This right applies even after foreclosure proceedings are instituted. To reinstate this Security Instrument, Borrower shall correct the condition which resulted in the requirement for immediate payment in full. Foreclosure costs and reasonable and customary attorney's fees and expenses properly associated with the foreclosure proceeding shall be added to the Principal Balance. 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 (2) 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 Security Instrument.

13. Deferral Period Reinstatement. If a Deferral Period ceases or becomes unavailable because a Non-Borrowing Spouse no longer satisfies the Qualifying Attributes for a Deferral Period and has become an Ineligible Non-Borrowing Spouse, neither the Deferral Period nor the Security Instrument may be reinstated. In the event a Deferral Period ceases because an obligation of the Note, the Loan Agreement or this Security Instrument has not been met or the Note has become eligible to be called due and payable and is in default for a reason other than death, an Eligible Non-Borrowing Spouse may have a Deferral Period and this Security Instrument reinstated provided that the condition which resulted in the Deferral Period ceasing is corrected within thirty (30) days. A Lender may require the Eligible Non-Borrowing Spouse to pay for foreclosure costs and reasonable and customary attorney's fees and expenses properly associated with the foreclosure proceeding, such costs may not be added to the Principal Balance. Upon reinstatement by an Eligible Non-Borrowing Spouse, the Deferral Period and this Security Instrument and the obligations that it secures shall remain in effect as if the Deferral Period had not ceased and the Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) the Lender has accepted a reinstatement of either the Deferral Period or this Security Instrument within the past two (2) years immediately preceding the current notification to the Eligible Non-Borrowing Spouse that the mortgage is due and payable; (ii) reinstatement of either the Deferral Period or this Security Instrument will preclude foreclosure in the future, or (iii) reinstatement of either the Deferral Period or Security Instrument will adversely affect the priority of the Security Instrument.

14. Lien Status.

(A) Modification. Borrower agrees to extend this Security Instrument in accordance with this Paragraph 14(A). If Lender determines that the original lien status of the Security Instrument is jeopardized under state law (including but not limited to situations where the amount secured by the Security Instrument equals or exceeds the maximum principal amount stated or the maximum period under which loan advances retain the same lien priority initially granted to loan advances has expired) and state law permits the original lien status to be maintained for future loan advances through the execution and recordation of one or more documents, then Lender shall obtain title evidence at Borrower's expense. If the title evidence indicates that the Property is not encumbered by any liens (except the First Security Instrument described in Paragraph 15(A), this Second Security Instrument and any subordinate liens that the Lender determines will also be subordinate to any future loan advances), Lender shall request the Borrower to execute any documents necessary to protect the priority of the lien status of future loan advances. Borrower agrees to execute such documents. If state law does not permit the original lien status to be extended to future loan advances, Borrower will be deemed to have failed to have performed an obligation under this Security Instrument.

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 6 of 11

Revised 06/25/2021



252105414241 1172 057 0611

(B) Tax Deferral Programs. Borrower shall not participate in a real estate tax deferral program, if any liens created by the tax deferral are not subordinate to this Security Instrument.

(C) Prior Liens. 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 forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to all amounts secured by 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 ten (10) days of the giving of notice.

15. Relationship to First Security Instrument.

(A) Second Security Instrument. In order to secure payments which the Commissioner may make to or on behalf of Borrower pursuant to Section 255(i)(1)(A) of the National Housing Act and the Loan Agreement, the Commissioner has required Borrower to execute a Second Note and this Second Security Instrument. Borrower has also executed a First Note and First Security Instrument.

(B) Relationship of First and Second Security Instruments. Payments made by the Commissioner shall not be included in the debt under the First Note unless:

(i) The First Security Instrument is assigned to the Commissioner; or

(ii) The Commissioner accepts reimbursement by the holder of the First Note for all payments made by the Commissioner.

If the circumstances described in (i) or (ii) occur, then all payments by the Commissioner, including interest on the payments, but excluding late charges paid by the Commissioner, shall be included in the debt under the First Note.

(C) Effect on Borrower. Where there is no assignment or reimbursement as described in (B)(i) or (ii) and the Commissioner makes payments to Borrower, then Borrower shall not:

(i) Be required to pay amounts owed under the First Note, or pay any rents and revenues of the Property under Paragraph 24 to the holder of the First Note or a receiver of the Property, until the Commissioner has required payment in full of all outstanding principal and accrued interest under the Second Note; or

(ii) Be obligated to pay interest or shared appreciation under the First Note at any time, whether accrued before or after the payments by the Commissioner, and whether or not accrued interest has been included in the principal balance under the First Note.

(D) No Duty of the Commissioner. The Commissioner has no duty to the holder of the First Note to enforce covenants of the Second Security Instrument or to take actions to preserve the value of the Property, even though the holder of the First Note may be unable to collect amounts owed under the First Note because of restrictions in this Paragraph 15.

16. Restrictions on Enforcement. Notwithstanding anything else in this Security Instrument, the Borrower shall not be obligated to comply with the covenants hereof, and Paragraph 24 shall have no force and effect, whenever

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULL:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 7 of 11

Revised 06/25/2021



252105414241 1172 057 0741

there is no outstanding balance under the Second Note.

17. Forbearance by Lender Not a Waiver. 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.

18. Successors and Assigns Bound; Joint and Several Liability. Borrower may not assign any rights or obligations under this Security Instrument or the Second Note, except to a trust that meets the requirements of the Commissioner. Borrower's covenants and agreements shall be joint and several.

Notwithstanding anything to the contrary herein, upon the death of the last surviving Borrower, the Borrower's successors and assigns will be bound to perform Borrower's obligations under this Security Instrument.

19. 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 all Borrowers jointly designate. Any notice to the Commissioner shall be given by first class mail to the HUD Field Office with jurisdiction over the Property or any other address designated by the Commissioner. Any notice to Non-Borrowing Spouse 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. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender, or Non-Borrowing Spouse when given as provided in this Paragraph 19.

20. 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 Second Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Second Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Second Note are declared to be severable.

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

22. Third-Party Beneficiary. Except as set forth in Paragraph 10(A)(ii) and only for an Eligible Non-Borrowing Spouse this Security Instrument does not and is not intended to confer any rights or remedies upon any person other than the parties. Borrower agrees that it is not a third-party beneficiary to the Contract of Insurance between HUD and the holder of the First Note.

23. Capitalized Terms. Capitalized terms not defined in this Security Instrument shall have the meanings ascribed to them in the Loan Agreement.

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

24. 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

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF3J5C0QWQ87252105414281



for benefit of Lender only, to be applied to the sums secured by this 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 24, except as provided in the First Security Instrument.

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 this Security Instrument is paid in full.

25. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 10, 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 25, 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.

26. Lien Priority. The full amount secured by this Security Instrument shall have a lien priority subordinate only to the full amount secured by the First Security Instrument.

27. Adjustable Rate Feature. Under the Note, the initial stated interest rate of **One and 870/1000's percent (1.870%)** which accrues on the unpaid principal balance ("Initial Interest Rate") is subject to change, as described below. When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance. Each adjustment to the interest rate will be based upon the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year ("Index") plus a margin. The Index is published in the Federal Reserve Board's Data Download Program (DDP) and made available by the Board of Governors of the Federal Reserve System in Statistical Release H.15 (519). If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. The new index will have a historical movement substantially similar to the original index, and the new index and margin will result in an annual percentage rate that is substantially similar to the rate in effect at the time the original index becomes

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF315C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 9 of 11

Revised 06/25/2021



252105414211 1172 057 0011

unavailable.

Lender will perform the calculations described below to determine the new adjusted interest rate. The interest rate may change on the first day of 10/01/2021 and on the first day of each succeeding month, ("Change Date") until the loan is repaid in full. "Change Date" means each date in which the interest rate could change.

The value of the Index will be determined, using the most recent Index figure available thirty (30) days before the Change Date ("Current Index"). Before each Change Date, the new interest rate will be calculated by adding a margin to the Current Index, subject to the rate limitations below, then rounded to the nearest one-eighth of one percentage point (0.125%). This rounded sum of the margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date. The Calculated Interest Rate will be compared to the interest rate in effect immediately prior to the current Change Date (the "Existing Interest Rate").

The interest rate the Borrower is required to pay will never increase above 11.870%.

The Calculated Interest Rate will be adjusted if necessary to comply with the rate limitation(s) described above and will be in effect until the next Change Date. At any Change Date, if the Calculated Interest Rate equals the Existing Interest Rate, the interest rate will not change.

28. 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 reasonable 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.

29. 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.

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

31. Obligatory Loan Advances. Lender's responsibility to make Loan Advances under the terms of the Loan Agreement, including Loan Advances of principal to Borrower as well as Loan Advances for interest, MIP, Servicing Fees, and other charges shall be obligatory.

32. Protective Advances. This Security Instrument secures any advances Lender, at its discretion, may make under Paragraph 5 of this Security Instrument to protect Lender's interest in the Property and rights under this Security Instrument.

33. 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 all riders that are applicable].

<input type="checkbox"/>	Condominium Rider	<input type="checkbox"/>	PUD Rider
--------------------------	-------------------	--------------------------	-----------

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman
Loan Originator NMLS #: 913042
ULI:
5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 10 of 11

Revised 06/25/2021



252105414211 1172 057 1011

	Shared Appreciation Rider		Other
--	---------------------------	--	-------

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 Security Instrument and in any rider(s) executed by Borrower and recorded with it.

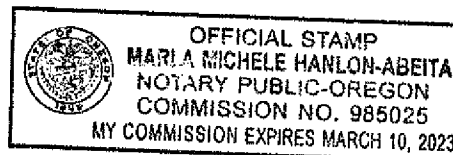
Witnesses: _____

Gregory C. Davis
Gregory C. Davis (Borrower)

8/6/2021
Date

Freddie S. Davis
Freddie S. Davis (Borrower)

8/6/2021
Date



STATE OF OREGON
County of Klamath

This instrument was acknowledged before me on August 06, 2021 by Gregory C. Davis and Freddie S. Davis.

Marie W
Notary Public - State of Oregon

My commission expires 3/10/2023

Reverse Mortgage Funding LLC
Company - NMLS #: 1715594 - Loan Number: 2521054142

Loan Originator: Mark Eshelman

Loan Originator NMLS #: 913042

ULI:

5493001FXF3J5C0QWQ87252105414281

Oregon - 2nd Security Instrument (Adjustable)

Page 11 of 11

Revised 06/25/2021



252105414211 1172 057 1111

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land situated in the SE1/4 of the SE1/4 of Section 6, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin which bears North 00° 04' 18" West a distance of 30.0 feet from the Southwest corner of said SE1/4 of the SE1/4 said beginning point being on the Northern line of Arant Road; thence continuing North 00° 04' 18" West 268.35 feet to a point, said point being the Southwest corner of Parcel 2 of Minor Land Partition 31-84 filed in the office of the County Clerk, Klamath County, State of Oregon, June 5, 1984; thence along the Southern line of said Parcel 2 and Parcel 3 of said Minor Land Partition 31-84 the following distances North 89° 39' 43" East 252.50 and North 89° 19' 32" East 182.93 feet to the Southeast corner of said Parcel 3 of Minor Land Partition 31-84, said point also being on the Western lot line of Lot 13, Block 1 "Vale Dean Canyon Tract 1198," thence along said Western lot line of said Lot 13, South 00° 52' 35" East 240.19 feet to the Southwest corner of said Lot 13; thence along the Southern line of said Lot 13 and Lot 14, Block 1 of said subdivision North 89° 45' 36" East 427.52 feet to the Southeast corner of said Lot 14, Block 1; thence South 00° 14' 24" East 10.00 feet to a 5/8 inch iron pin marking the beginning of a curve; thence Southwesterly along the arc of a 20 foot radius curve to the right a distance of 31.42 feet to a 5/8 inch iron pin on the Northern line of Arant Road; thence along said Northern line of Arant Road South 89° 45' 36" West 846.38 feet to the point of beginning.

EXCEPTING THEREFROM the Westerly 30 feet of that Tract of land described in Deed Volume M01, page 30794, as conveyed to Klamath County, a municipal subdivision of the State of Oregon in Deed Volume M01, page 55979, on October 31, 2001.



AmeriTitle, LLC
300 Klamath Ave., Klamath Falls, OR 97601
PHONE (541)883-3401 FAX (541)882-0620

July 29, 2021
File Number: 467367AM
Report No.: 2
Title Officer: Kristen O'Hare

PRELIMINARY TITLE REPORT

Property Address: 8353 Arant Road, Klamath Falls, OR 97603

Policy or Policies to be issued:

ALTA LENDER'S RESIDENTIAL (X) EXTENDED () STANDARD

Liability
\$630,000.00
Reissue Rate

Premium
\$1,622.00

Proposed Insured: Reverse Mortgage Funding LLC ISAOA
Endorsements: OTIRO - End 209.10-06, 222-06 and 208.1-06

\$100.00

Local Government Lien Search

We are prepared to issue ALTA (06/17/06) title insurance policy(ies) of Old Republic National Title Insurance Company, in the usual form insuring the title to the land described as follows:

Legal description attached hereto and made a part hereof marked Exhibit "A"

and dated as of 12th day of May, 2021 at 7:30 a.m., title is vested in:

Gregory C. Davis and Freddie S. Davis, as Tenants by the Entirety

The estate or interest in the land described or referred to in this Preliminary Title Report and covered herein is:

FEE SIMPLE

Except for the items properly cleared through closing, Schedule B of the proposed policy or policies will not insure against loss or damage which may arise by reason of the following:

GENERAL EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Facts, rights, interests or claims which are not shown by the Public Records but which could be ascertained by an inspection of the Land or by making inquiry of persons in possession thereof.
3. Easements, or claims of easement, not shown by the Public Records; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
4. Any encroachment (of existing improvements located on the subject Land onto adjoining Land or of existing improvements located on adjoining Land onto the subject Land) encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the subject Land.
5. Any lien, or right to a lien, for services, labor, material, equipment rental, or workers compensation heretofore or hereafter furnished, imposed by law and not shown by the Public Records.

EXCEPTIONS 1 THROUGH 5 ABOVE APPLY TO STANDARD COVERAGE POLICIES AND MAY BE MODIFIED OR ELIMINATED ON AN EXTENDED COVERAGE POLICY.

SPECIAL EXCEPTIONS:

Tax Information:

Taxes assessed under Code No. 162 Account No. 59000 Map No. 3910-006D0-00900
NOTE: The 2020-2021 Taxes: \$4,577.88, are Paid

6. Taxes assessed under Code No. 162 Account No. 59000 Map No. 3910-006D0-00900
The 2021-2022 Taxes: A lien not yet due or payable.
7. The rights of the public in and to that portion of the herein described property lying within the limits of public roads, streets or highways.
8. Special Assessment disclosed by the Klamath tax rolls:
For: Klamath Basin Improvement District
9. Regulations, including levies, assessments, water and irrigation rights and easements for ditches and canals of Enterprise Irrigation District.
(No inquiry has been made)
10. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: Enterprise Irrigation District
Recorded: March 29, 1966
Instrument No.: M66, page 2711

11. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as reserved in instrument:

Recorded: December 29, 1975

Instrument No.: Volume M75, Page 16273

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: December 20, 2001

Instrument No.: Volume M01, Page 65071

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2542

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2546

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2550

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2554

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2558

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 15, 2002

Instrument No.: Volume M02, Page 2562

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 30, 2002

Instrument No.: Volume M02, Page 5852

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 30, 2002

Instrument No.: Volume M02, Page 6026

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: January 30, 2002

Instrument No.: Volume M02, Page 6028

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: February 1, 2002

Instrument No.: Volume M02, Page 6503

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: February 1, 2002

Instrument No.: Volume M02, Page 6505

Amended by Release of Easement, including the terms and provisions thereof,
Recorded: February 4, 2002
Instrument No.: Volume M02, Page 6565

12. An easement including the terms and provisions thereof, affecting the portion of said premises and for the purposes stated therein as set forth in instrument:
Granted To: Pacific Power and Light Company
Recorded: March 18, 1981
Instrument No.: M81, page 4909
13. Certificate of Incorporation for Klamath Basin Improvement District, including the terms and provisions thereof,
Recorded: August 2, 1982
Instrument No.: M82, page 9829
14. County Road Right-of-Way for the extension of Vale Road, including the terms and provisions thereof,
Recorded: February 21, 2002
Instrument No.: Volume M02, Page 10356
15. A Deed of Trust, including the terms and provisions thereof, to secure the amount noted below and other amounts secured thereunder, if any:
Amount: \$750,000.00
Trustor/Grantor: Gregory C. Davis and Freddie S. Davis, as Tenants by the Entirety
Trustee: Old Republic Title Company
Beneficiary: Mortgage Electronic Registration Systems, Inc. (MERS), solely as nominee for Reverse Mortgage Funding, LLC
Dated: March 26, 2020
Recorded: March 31, 2020
Instrument No.: 2020-003811

This Deed of Trust secures an equity line of credit and/or revolving loan. The Company requires satisfactory written statement from the existing lender confirming: (a) the payoff amount, (b) that the line of credit has been closed, and no further draws/advances will be permitted and/or the right to future advances has been terminated, and (c) agreeing to deliver a full satisfaction/release upon payment of the outstanding balance, (d) satisfactory documentation from the borrower to close the account.
16. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts, which a correct survey would disclose.
17. Any statutory lien for labor or material, which now has gained, or hereafter may gain priority over the lien of the insured mortgage.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

IF THE ABOVE EXCEPTION IS TO BE REMOVED FROM A FORTHCOMING POLICY PRIOR TO THE EXPIRATION OF THE STATUTORY LIEN PERIOD, THE COMPANY MUST BE CONTACTED REGARDING ITS UNDERWRITING REQUIREMENTS FOR EARLY ISSUE.
18. Persons in possession or claiming the right of possession.

To remove this item, the Company will require an affidavit and indemnity on a form supplied by the Company.

INFORMATIONAL NOTES:

NOTE: As of the date hereof, there are no matters against the party(ies) shown below which would appear as exceptions to coverage in a title insurance product:

Parties:

Gregory C. Davis
Freddie S. Davis

NOTE: We find no activity in the past 24 months regarding transfer of title to subject property.

NOTE: This Report No. 2 was updated to reflect the following changes:

1. Updated information for the Proposed Insured on the Lender's Policy and the Loan amount.

NOTE: Any map or sketch enclosed as an attachment herewith is furnished for information purposes only to assist in property location with reference to streets and other parcels. No representation is made as to accuracy and the company assumes no liability for any loss occurring by reason of reliance thereon.

NOTE: Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the parties to the transaction must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

NOTE: Due to current conflicts or potential conflicts between state and federal law, which conflicts may extend to local law, regarding marijuana, if the transaction to be insured involves property which is currently used or is to be used in connection with a marijuana enterprise, including but not limited to the cultivation, storage, distribution, transport, manufacture, or sale of marijuana and/or products containing marijuana, the Company declines to close or insure the transaction, and this Preliminary Title Report shall automatically be considered null and void and of no force and effect.

THIS PRELIMINARY TITLE REPORT IS NOT AN ABSTRACT OF TITLE, REPORT OF THE CONDITION OF TITLE, LEGAL OPINION, OPINION OF TITLE, OR OTHER REPRESENTATION OF THE STATUS OF TITLE. THE PROCEDURES USED BY THE COMPANY TO DETERMINE INSURABILITY OF THE TITLE, INCLUDING ANY SEARCH AND EXAMINATION, ARE PROPRIETARY TO THE COMPANY, WERE PERFORMED SOLELY FOR THE BENEFIT OF THE COMPANY, AND CREATE NO EXTRACTIONAL LIABILITY TO ANY PERSON, INCLUDING A PROPOSED INSURED.

This report is preliminary to the issuance of a policy of title insurance and shall become null and void unless a policy is issued and the full premium paid.

End of Report

"Superior Service with Commitment and Respect for Customers and Employees"

EXHIBIT "A"
LEGAL DESCRIPTION

A parcel of land situated in the SE1/4 of the SE1/4 of Section 6, Township 39 South, Range 10 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron pin which bears North 00° 04' 18" West a distance of 30.0 feet from the Southwest corner of said SE1/4 of the SE1/4 said beginning point being on the Northern line of Arant Road; thence continuing North 00° 04' 18" West 268.35 feet to a point, said point being the Southwest corner of Parcel 2 of Minor Land Partition 31-84 filed in the office of the County Clerk, Klamath County, State of Oregon, June 5, 1984; thence along the Southern line of said Parcel 2 and Parcel 3 of said Minor Land Partition 31-84 the following distances North 89° 39' 43" East 252.50 and North 89° 19' 32" East 182.93 feet to the Southeast corner of said Parcel 3 of Minor Land Partition 31-84, said point also being on the Western lot line of Lot 13, Block 1 "Vale Dean Canyon Tract 1198," thence along said Western lot line of said Lot 13, South 00° 52' 35" East 240.19 feet to the Southwest corner of said Lot 13; thence along the Southern line of said Lot 13 and Lot 14, Block 1 of said subdivision North 89° 45' 36" East 427.52 feet to the Southeast corner of said Lot 14, Block 1; thence South 00° 14' 24" East 10.00 feet to a 5/8 inch iron pin marking the beginning of a curve; thence Southwesterly along the arc of a 20 foot radius curve to the right a distance of 31.42 feet to a 5/8 inch iron pin on the Northern line of Arant Road; thence along said Northern line of Arant Road South 89° 45' 36" West 846.38 feet to the point of beginning.

EXCEPTING THEREFROM the Westerly 30 feet of that Tract of land described in Deed Volume M01, page 30794, as conveyed to Klamath County, a municipal subdivision of the State of Oregon in Deed Volume M01, page 55979, on October 31, 2001.