Introduction

The property line adjustment application is to review changes in property lines when no new lots are being created. For example, property lines may be changed to account for the location of fences, driveways, gardens and buildings. A property owner may discover that a fence is located on a neighbor's property. As a solution, the property owners may agree to relocate their property lines. A property line adjustment review is needed to make sure the change is consistent with zoning standards.

In addition to filling out the application form, the applicant needs to draw a plot plan. The plot plan will show the property lines and dimensions, and the location of all buildings, wells, septic tanks and drainfield for the parcels which are being adjusted.

The applicants need to submit the application to the Planning Department. Once the application and plot plan are accepted, staff will review the proposal.

A single adjustment of one line between two abutting properties will be approved as a ministerial\(^1\) act.

Multiple adjustments between more than two abutting properties will be processed as a land use decision and may be approved as a single application on condition that each adjustment is completed prior to the next, in accordance with ORS Chapter 92.

Approval will become final after the applicant(s) complies with the approval criteria including completion of surveys when required and recording of the property line adjustment deed(s). These must be completed within one year of the approval.

This information is provided as a courtesy and is not intended to replace the provisions of Article 6.3.

If you have any questions about this application, please feel free to contact this office at 541-396-7770 or visit us at 225 North Adams Street in Owen Building in Coquille, Oregon.

\(^1\) ministerial decisions are not land use decisions as described in ORS 197.015 and are not subject to appeal as land use decisions

Updated 7/14
Please place a check mark on the appropriate type of review that has been requested. An incomplete application will not be processed. Applicant is responsible for completing the form. Attach additional sheets to answer questions if needed.

A. Applicant/Owner:

Name: Robert P. & Louetta M. Jansen
Address: 62412 Ross Inlet Rd
City: Coos Bay
State: OR Zip Code: 97420

B. Applicant/Owner:

Name: Robert P. & Louetta M. Jansen
Address: 62412 Ross Inlet Rd
City: Coos Bay
State: OR Zip Code: 97420

C. Property Descriptions:

Property #1
Township 26S Range 13W Section 12 D Tax Lot 00804
Tax Account 524312 Lot Size 10.68 AC Zoning District RR-2

Property #2
Township 26S Range 13W Section 12 DB Tax Lot 02100
Tax Account 522874 Lot Size 1.50 AC Zoning District RR-2

D. Criteria from Article 6.3

ARTICLE 6.3 PROPERTY LINE ADJUSTMENTS
SECTION 6.3.100 PROPERTY LINE ADJUSTMENTS:
As set forth in ORS 92.190(3), the common boundary line between lots or parcels may be adjusted in accordance with this section without the replatting procedures in ORS 92.180 and 92.185 or the vacation procedures in ORS Ch. 368. Once a lot or parcel line has been adjusted, the adjusted line shall be the boundary or property line, not the original line. The Director has authority to approve a line adjustment as a Ministerial Action.

SECTION 6.3.125 PROCEDURE:
1. An application for a line adjustment or elimination shall be filed by the owners of all lots or parcels affected. The application shall be accompanied by an appropriate fee and contain the following information:
   a. Reason for the line adjustment;
   b. Vicinity map locating the proposed line adjustment or elimination in relation to adjacent subdivisions, partitions, other units of land and roadways;
   c. A plot plan showing the existing boundary lines of the lots or parcels affected by the line adjustment and the approximate location for the proposed adjustment line. The plot plan shall also show the approximate location of all structures within ten (10) feet of the proposed adjusted line;
   d. A current property report (less than 6 months old) indicating any taxes, assessment or other liens against the property, easements, restrictive covenants and rights-of-way, and ownerships of the property of the proposed development.

Updated 7/14
A title report is acceptable.

2. A line adjustment is permitted only where an additional unit of land is not created and where the lot or parcel reduced in size by the adjustment complies with the requirements of the applicable zone except that a line adjustment for the purpose of exchange or transfer of land between resource land owners shall be allowed so long as:
   a. No parcel is reduced in size contrary to a condition under which it was formed;
   b. The resulting parcel sizes do not change the existing land use pattern (e.g. two conforming parcels must remain conforming; and
   c. Two non-conforming parcels may remain non-conforming; and, two parcels, one conforming and one non-conforming, may remain as such regardless of which parcel is non-conforming after the exchange or transfer).

3. An encroachment of existing or planned structures will not be created within required setbacks as a result of the line adjustment.

4. A line adjustment for a lot or parcel that is less than the minimum lot size before the adjustment and further reduced as a result of the adjustment is permissible provided the applicant submits either:
   a. Proof that, for the lot or parcel reduced in size, sewage disposal is provided by either a publicly owned sewage disposal system, or a privately owned sewage disposal system regulated by the Public Utility Commission of Oregon; or
   b. Written evidence, for the lot or parcel reduced in size, that an on-site septic system that is intended to remain in use after final approval was authorized by an approving authority, or if written evidence is not available, provide a septic system evaluation (prepared by a professional qualified under ORS 700) that certifies the existing system to be properly functioning, and that the existing septic system is either located entirely on the same lot or parcel containing an existing dwelling, or that a proper easement is provided to allow the continued use and maintenance of the system; or
   c. Documentation, for a vacant lot or parcel reduced to less than one (1) acre, that the Department of Environmental Quality has approved the method of sewage disposal. Unless circumstances warrant otherwise (public services), parcels that are greater than one (1) acre shall not be subject to a septic system evaluation in the line adjustment process.

5. In resource lands, a unit of land containing a dwelling, or approved for construction of a dwelling, cannot be adjusted with a vacant resource unit of land for the purpose of qualifying the vacant unit for a 160-acre dwelling.
   a. A resource unit of land less than 160 acres and containing a (preexisting) dwelling, or approved for construction of a dwelling, cannot be adjusted with a vacant resource unit of land for the purpose of qualifying the vacant unit for a 160-acre dwelling;
   b. A resource unit of land 160 acres or greater and containing a (preexisting) dwelling, or approved for construction of a dwelling, cannot be adjusted below 160 acres with a vacant resource unit of land for the purpose of qualifying the vacant unit for a 160-acre dwelling;
   c. A resource unit of land 160 acres or greater and containing a dwelling approved as a 160-acre dwelling, or approved for construction of a 160-acre dwelling, cannot be reduced below 160 acres for the purpose of qualifying the vacant unit for a 160-acre dwelling.

6. Same Designation: A line adjustment shall only be permitted where the sale or transfer of ownership is made between abutting owners of like designated lands, residential lands, commercial lands, industrial lands, and resource lands, unless an existing structure encroaches over an existing property boundary or the boundary line adjustment is required to comply with requirements of the State Department of Environmental Quality for a subsurface sewage system.

Updated 7/14
SECTION 6.3.150 EASEMENTS AND ACCESS:
A line adjustment shall have no affect on existing easements or access. Access shall not be eliminated through a property line adjustment process. If an access is potentially affected then an easement may be created for access to comply with this criterion.

SECTION 6.3.175 MAPPING AND FILING REQUIREMENTS:
1. Map and Monuments Required:
   a. For any resulting lot or parcel ten acres or less, a survey map that complies with ORS 209.250 shall be prepared;
   b. The survey map shall show all structures within ten (10) feet of the adjusted line;
   c. The survey shall establish monuments to mark the adjusted line.
2. Approval and Filing Requirements:
   a. Upon determination that the requirements of this section have been met, the Director shall advise the applicant in writing that the line adjustment is tentatively approved;
   b. Within one year from the date of tentative approval, the applicant shall prepare and submit to the Director any map required by Section 6.2.800(4) and Section 6.2.800(5) if a survey is required. If no map is required, the applicant shall submit proof that the requirements of the tentative approval have been met. The Director shall indicate final approval by endorsement upon the map, if any, or if no map is required the Director shall advise the applicant in writing that final approval has been granted;
   c. Once endorsed by the Director, the map shall then be submitted to the County Surveyor. When the map is filed, the County Surveyor shall indicate the filing information on the map;
   d. A line adjustment shall be effective when the map is filed by the County Surveyor and an instrument (e.g. deed or covenant) is recorded with the County Clerk. If no map is required, then the line adjustment shall be effective when final approval is granted by the Director and an instrument is recorded with the County Clerk;
   e. If a survey is required, the Deed shall be recorded and the Survey Map shall be filed simultaneously. The survey map, with the signature of the Coos County Planning Director shall be submitted to the County Surveyor along with the required filing fee. The survey map will be given a filing number which will be added to the Property Line Adjustment deed. The deed will then be recorded whereupon the recording number for said deed will be added to the face of the survey map. Said map will then be filed with the County Surveyor, completing the process.

E. Authorization:
All areas must be initialed by all applicant(s) prior to the Planning Department accepting any application.

I hereby attest that I am authorized to make the application for a conditional use and the statements within this application are true and correct to the best of my knowledge and belief. I affirm that this is a legally created tract, lot or parcel of land. I understand that I have the right to an attorney for verification as to the creation of the subject property. I understand that any action authorized by Coos County may be revoked if it is determined that the action was issued based upon false statements or misrepresentation.

Updated 7/14
ORS 215.416 Permit application; fees; consolidated procedures; hearings; notice; approval criteria; decision without hearing. (1) When required or authorized by the ordinances, rules and regulations of a county, an owner of land may apply in writing to such persons as the governing body designates, for a permit, in the manner prescribed by the governing body. The governing body shall establish fees charged for processing permits at an amount no more than the actual or average cost of providing that service. The Coos County Board of Commissioners adopt a schedule of fees which reflect the average review cost of processing and set-forth that the Planning Department shall charge the actual cost of processing an application. Therefore, upon completion of review of your submitted application/permit a cost evaluation will be done and any balance owed will be billed to the applicant(s) and is due at that time. By signing this form you acknowledge that you are response to pay any debt caused by the processing of this application. Furthermore, the Coos County Planning Department reserves the right to determine the appropriate amount of time required to thoroughly complete any type of request and, by signing this page as the applicant and/or owner of the subject property, you agree to pay the amount owed as a result of this review. If the amount is not paid within 30 days of the invoice, or other arrangements have not been made, the Planning Department may chose to revoke this permit or send this debt to a collection agency at your expense.

I understand it is the function of the planning office to impartially review my application and to address all issues affecting it regardless of whether the issues promote or hinder the approval of my application. In the event a public hearing is required to consider my application, I agree I bare the burden of proof. I understand that approval is not guaranteed and the applicant(s) bear the burden of proof to demonstrate compliance with the applicable review criteria.

As applicant(s) I/we acknowledge that is in my/our desire to submit this application and staff has not encouraged or discouraged the submittal of this application.

As the applicant(s) I/we acknowledge pursuant to Section 3.3.151(5), the property line adjustment deed must be recorded with the County Clerk within one year from the date of final approval from the Planning Department.

[Signatures]

Applicant(s) Original Signature

8-1-14
Date

Applicant(s) Original Signature

8-1-14
Date

Updated 7/14
Aug 8, 2014

**Proosed Property Line Adjustment**

**Owners** Robert & Louetta Jansen
62412 Ross Inlet Rd.
Coos Bay, OR 97420

**Property Descriptions**:
- TL 02100 - Map T26S R13W S12DB
- TL 00804 - Map T26S R13W S12D

**Deed**: 90-07-0014, 15 6/16
15 - TL 02100
16 - TL 00804

**TL 02100 - Discrete Per Deed Vol 180/692**

**Purpose**: Create a legal size 2AC parcel for daughter to build on and live on.
WARRANTY DEED

(State of Oregon, County of Clackamas)

GRANTOR: MARLON M. JANSSEN AND MYRZEL LAURENCE

CONVEYS AND WARRANTS TO

GRANTEE: ROBERT P. JANSSEN AND LORETTA M. JANSSEN, HUSBAND AND WIFE

the following described real property free of encumbrances except as specifically set forth herein:

FOR LEGAL DESCRIPTION, SEE ATTACHED EXHIBIT "A"

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

On this 27th day of May, in the year of 1990, before me, the undersigned, a Notary Public, personally appeared
MYRZEL LAURENCE, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument and acknowledged that she
executed it.

WITNESS my hand and official seal.

Notary Public, State of California

This instrument will not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring fee title to the property should check with appropriate city or county planning department to verify approved use.

The true and accurate consideration for this transfer is $47,260.00

If grantor is a corporation, this has been signed by authority of the Board of Directors, with the seal of said corporation affixed.

DATE: APRIL 27, 1990

GRANTOR:

GRANTEE:

Until a change is requested, all tax statements shall be sent to the following address:

BOSS & BOSS, INN, 21

STATE OF OREGON, County of Clackamas

May 7, 1990

State of Oregon, County of Clackamas

Personally appeared the above named MARLON M. JANSSEN

and acknowledged the foregoing instrument to be her

WARRANTY DEED

AFTER RECORDING RETURN TO

GRANTEE

SAME AS ABOVE

R.M.

COUNTY CLERK
PROPERTY DESCRIPTION

The following described tract of land lying in the Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows:

Beginning at a 3/8 inch iron rod which bears South 01 degree 11 minutes 52 seconds East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 01 degree 11 minutes 52 seconds East a distance of 621.09 feet to a 3/8 inch iron rod; thence South 01 degree 51 minutes 28 seconds West a distance of 140.56 feet to a 3/8 inch iron rod; thence North 01 degree 44 minutes 57 seconds West a distance of 180.90 feet; thence North 00 degree 00 minutes 00 seconds East a distance of 258.5 feet; thence following a course perpendicular to the Ross Slough County Road N18° 10' 18" E a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southwesterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 3/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 3/8 inch iron rod with a plastic cap; thence North 38 degrees 18 minutes 36 seconds West a distance of 220.08 feet to a 3/8 inch iron rod with a plastic cap; thence North 73 degrees 59 minutes 42 seconds West a distance of 91.70 feet to a 3/8 inch iron rod with a plastic cap; thence North 23 degrees 25 minutes 07 seconds West a distance of 347.16 feet to a 3/8 inch iron rod with a plastic cap; thence South 79 degrees 59 minutes 16 seconds West a distance of 167.11 feet to a 3/8 inch iron rod with a plastic cap; thence North 28 degrees 52 minutes 21 seconds West a distance of 116.29 feet to a 3/8 inch iron rod with a plastic cap; thence North 11 degrees 23 minutes 37 seconds West a distance of 224.24 feet to a 3/8 inch iron rod with a plastic cap; thence North 17 degrees 08 minutes 11 seconds West a distance of 88.26 feet to the point of beginning. Said tract contains 10.22 acres, more or less.
Also, that tract described in Volume 180 Page 692 Recorder's Record, more particularly described as follows: Beginning at an iron pipe on the south boundary of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, thence point the iron pipe at the southwest corner of the said a Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, thence North 80 degrees 01 minutes West a distance of 447.00 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.16 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 251.04 feet to an iron pipe on the south boundary of the said Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12; thence, North 80 degrees 01 minutes West along the said south boundary for a distance of 294.40 feet to the point of beginning. Containing 1.50 acres, more or less, and being a portion of the vacated part of the Plat of South Harbor in the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.
VACANT DEED

To All the Judges of Session of Said County of Clackamas, WhoseNames Hereunto Are Addressed: I, Frank M. Barber, the subscriber, have, the 2nd day of April, 1900, given and conveyed to the said Henry Franson, husband and wife, the following described real property, situate in the County of Clackamas, State of Oregon, described as follows, to-wit:

Beginning at an iron pipe on the south boundary of the Northwest quarter of the South half of Township 26 North, Range 1 West of Willamette Meridian, for a distance of 200.0 feet along the south line; thence North for a distance of 200.0 feet to an iron pipe; thence South for a distance of 200.0 feet to an iron pipe; thence West for a distance of 200.0 feet to an iron pipe; thence South for a distance of 200.0 feet to an iron pipe; thence West for a distance of 200.0 feet to an iron pipe; thence North for a distance of 200.0 feet to the point of beginning.

Containing 1.50 acres, more or less, and being a portion of the above described property.

And Frank M. Barber and Olive E. Barber, of the said Elizabeth Barber, do severally convey and assign, their heirs and assigns forever, the above described property, together with the right to enter and occupy the same, to the said Henry Franson and Martha Franson, husband and wife, or either of them, their heirs and assigns forever.

In witness whereof, the above and certain premises are sealed and acknowledged by the above named Frank M. Barber and Olive E. Barber, at Clackamas, this 2nd day of April, 1900.

Frank M. Barber

Olive E. Barber

Recorded at the office of the County Clerk, County of Clackamas, State of Oregon, on the 2nd day of April, 1900.
LIEN AND ENCUMBRANCE REPORT

Report No.: 360614011197  Fee: $100.00
Your Reference Information: Robert P. Jansen and Louetta M. Jansen, 26-13-12DB TL#2100

We have searched our Tract Indices as to the following described real property:

That tract described in Volume 180 Page 692 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the South boundary of the NW 1/4 of the SE 1/4 of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the Southwest corner of the said NW 1/4 of the SE 1/4 of Section 12 bears North 80° 01' West a distance of 84.00 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.16 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 252.04 feet to an iron pipe on the South boundary of the said NW 1/4 quarter of the SE 1/4 of Section 12; thence North 80° 01' West along the said South boundary for a distance of 294.46 feet to the point of beginning. Being a portion of the vacated part of the Plat of South Harbor in the NW 1/4 of the SE 1/4 of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon.

and as of July 24, 2014 at 08:00-AM we find the the last deed of record runs to:

Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety

We also find the following monetary encumbrances of record:

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.

SPECIFIC ITEMS AND EXCEPTIONS:

6. Property taxes in an undetermined amount, which are a lien but not yet payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.

7. The Land has been classified as Forest, as disclosed by the tax roll. If the Land becomes disqualified, said Land may be subject to additional taxes and/or penalties.

8. A deed of trust to secure an indebtedness in the amount shown below,

   Amount: $100,500.00
   Dated: January 15, 2004
   Trustor/Grantor: Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety
   Trustee: Fidelity National Title Company
   Beneficiary: Mortgage Electronic Registration Systems, Inc. (MERS), organized and existing under the laws of Delaware, solely as nominee for Gateway Financial Services, its successors and assigns
   Recording Date: January 28, 2004
   Recording No.: 2004-1208

   A. An assignment of the beneficial interest under said deed of trust which names:

      Assignee: Wells Fargo Home Mortgage, Inc.
      Recording Date: March 12, 2004
      Recording No.: 2004-3291

   END OF EXCEPTIONS

   Note: Property taxes for the fiscal year shown below are paid in full.

   Fiscal Year: 2013-2014
   Amount: $23.34
   Levy Code: 901
   Account No.: 522874
   Map No.: 26-13-12DB TL#2100

   Prior to close of escrow, please contact the Tax Collector's Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

   Note: The last conveyance(s) affecting said Land, which recorded over 24 months of the date of this report, are as follows:

   Grantor: Marion M. Jansena nd Myrtle Lawrence
   Grantee: Robert P. Jansen and Louetta M. Jansen, husband and wife
   Recording Date: July 2, 1990
   Recording No.: 90-07-0014

The above information is the result of a limited search requested by the addressee and does not represent a commitment to issue any policy of title insurance. Ticor Title Company shall have no liability for any errors or omissions in this limited search which is utilized for monetary lien information only. No third party shall have any right to rely upon this information for any purpose. Liability in connection with this search is expressly limited to the fee paid.

Ticor Title Company
LIEN AND ENCUMBRANCE REPORT

Report No.: 360614011197
Fee: $100.00
Your Reference Information: Robert P. Jansen and Louetta M. Jansen, 26-13-12DB TL#2100

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We also find the following monetary encumbrances of record:

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.

SPECIFIC ITEMS AND EXCEPTIONS:

6. Property taxes in an undetermined amount, which are a lien but not yet payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.

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Amount: $23.34
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Account No.: 522874
Map No.: 26-13-12DB TL#2100

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Grantor: Marion M. Jansen and Myrtle Lawrence
Grantee: Robert P. Jansen and Louetta M. Jansen, husband and wife
Recording Date: July 2, 1990
Recording No: 90-07-0014

The above information is the result of a limited search requested by the addressee and does not represent a commitment to issue any policy of title insurance. Ticor Title Company shall have no liability for any errors or omissions in this limited search which is utilized for monetary lien information only. No third party shall have any right to rely upon this information for any purpose. Liability in connection with this search is expressly limited to the fee paid.

Ticor Title Company
WARRANTY DEED

GRANTOR: MARIE M. JANSEN AND MYRLLE LAWRENCE

CONVEYS AND WARRANTS TO

GRANTEES: ROBERT P. JANSEN AND LOUETTA M. JANSEN, HUSBAND AND WIFE

the following described real property free of encumbrances except as specifically set forth herein:

FOR LEGAL DESCRIPTION, SEE ATTACHED EXHIBIT "A"

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

On this 27th day of JULY, in the year of 1990, before me, the undersigned, a Notary Public, personally appeared MARIE M. JANSEN, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument and acknowledged that it was signed and executed.

WITNESS my hand and official seal.

[Signature]
Notary Public, State of California

This instrument will not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring the title to the property should check with appropriate city or county planning department to verify approved use.

The true and actual consideration for this transfer is $ 47,260.00

If grantor is a corporation, this has been signed by authority of the Board of Directors, with the seal of said corporation affixed.

DATED: APRIL 27, 1990

[Signature]

MARIE M. JANSEN
24-55835
MYRLLE LAWRENCE

NOTARY PUBLIC, OREGON

[Signature]

MY COMMISSION END MARCH 14, 1994

STATE OF OREGON, County of COOS
Date: MAY 7, 1990

Personally appeared the above named MARIE M. JANSEN, and acknowledged the foregoing instrument to be her voluntary act and deed, before me.

[Signature]
Notary Public for Oregon

STATE OF OREGON, County of COOS
Date: MAY 7, 1990

Personally appeared MARIE M. JANSEN, who being the person for whom this instrument was executed, stated that he is the holder of a corporation and that the said instrument was executed in behalf of the corporation by authority of its Board of Directors, before me.

[Signature]
Notary Public for Oregon

WARRANTY DEED

AFTER RECORDING RETURN TO

GREETIE SADE AS ADE

[Signature]
PROPERTY DESCRIPTION

The following described tract of land lying in the Southwest Quarter (SW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows:

Beginning at a 3/8 inch iron rod which bears South 01 degrees 21 minutes 52 seconds East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81 degrees 21 minutes 32 seconds East a distance of 621.09 feet to a 3/8 inch iron rod; thence South 1 degree 51 minutes 20 seconds West a distance of 140.56 feet to a 3/8 inch iron rod; thence North 8 degrees 57 minutes 12 seconds East a distance of 160.90 feet; thence Dead Record South 82 degrees 40 minutes 00 seconds East a distance of 276.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southeasterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 3/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 3/8 inch iron rod with a plastic cap; thence North 39 degrees 10 minutes 36 seconds West a distance of 220.08 feet to a 3/8 inch iron rod with a plastic cap; thence North 73 degrees 59 minutes 42 seconds West a distance of 91.76 feet to a 3/8 inch iron rod with a plastic cap; thence North 23 degrees 25 minutes 07 seconds West a distance of 347.16 feet to a 3/8 inch iron rod with a plastic cap; thence South 79 degrees 59 minutes 16 seconds West a distance of 167.11 feet to a 3/8 inch iron rod with a plastic cap; thence North 29 degrees 52 minutes 21 seconds West a distance of 116.29 feet to a 3/8 inch iron rod with a plastic cap; thence North 41 degrees 23 minutes 37 seconds West a distance of 224.24 feet to a 3/8 inch iron rod with a plastic cap; thence North 17 degrees 00 minutes 11 seconds West a distance of 88.26 feet to the point of beginning. Said tract contains 10.22 acres, more or less.
Also, that tract described in Volume 180 Page 602 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the south boundary of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the southwest corner of the said a Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12 being North 60 degrees 01 minutes West a distance of 440'00' feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 116.16 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 251.04 feet to an iron pipe on the south boundary of the said Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12; thence, North 80 degrees 01 minutes West along the said south boundary for a distance of 294.46 feet to the point of beginning. Containing 1.50 acres, more or less, and being a portion of the vacated part of the Plat of South Harbor in the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.
DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated January 15, 2004, together with all Riders to this document.

(B) "Borrower" is Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Gateway Financial Services
Lender is a Corporation formed under the laws of organized and existing under Oregon
9400 SW Barnes Road, Suite 100, Portland, OR 97225

(D) "Trustee" is Fidelity Title

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender's successors and assigns. MERS is the beneficiary under this Security Instrument. 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.

(F) "Note" means the promissory note signed by Borrower and dated January 15, 2004. The Note states that Borrower owes Lender One Hundred Thousand Five Hundred and no/100 Dollars (U.S. $100,500.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 01, 2034.

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower (check box as applicable):

- Adjustable Rate Rider
- Condominium Rider
- Second Home Rider
- Balloon Rider
- Planned Unit Development Rider
- Other(s) [Specify]
- Pre-payment Rider
- 1-4 Family Rider
- Biweekly Payment Rider

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appellate judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they may be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.
TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender's successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) 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 the [Type of Recording Jurisdiction]

[Name of Recording Jurisdiction]

See attached Exhibit "A"
APN A#5228.74/A#5243.12/A#5243.82

which currently has the address of

Coos Bay, Oregon

62412 Ross Inlet Road

[City] 97420

[Street] [Zip Code]

("Property Address")

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 understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender's successors and assigns) has the right to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

BORROWER COVENANTS that Borrower is lawfully seised 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, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or
partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which may attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. The items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items as Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest.
or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Lien. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can arise priority over this Security Instrument, leasehold improvements or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

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, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender’s opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can arise priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term “extended coverage,” and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender’s right to disapprove Borrower’s choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender’s option and Borrower’s expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower’s equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender’s right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender’s security is not lessened. During such repair and restoration

OREGON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claims and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.
Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by the Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such an agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has—If any—with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be
applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. “Opposing Party” means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender’s judgment, could result in forfeiture of the Property or other material impairment of Lender’s interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender’s judgment, precludes forfeiture of the Property or other material impairment of Lender’s interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender’s interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to 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 any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender’s acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any other remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower’s obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a “co-signer”): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer’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 can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer’s consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower’s obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower’s rights and benefits under this Security Instrument. Borrower shall not be released from Borrower’s obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower’s default, for the purpose of protecting Lender’s interest in the Property and rights under this Security Instrument, including, but not
limited to, attorneys’ fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower’s acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. 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 Borrower shall be given by delivering it or by mailing it by first class mail to Borrower’s address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Borrower 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.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision 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.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word “may” gives sole discretion without any obligation to take any action.

17. Borrower’s Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, “Interest in the Property” means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender’s prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower’s Right to Reinstatement After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower’s right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys’ fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender’s interest in the Property.
and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender’s interest in the Property and rights under this Security Instrument, and Borrower’s obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer’s check or cashier’s check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the “Loan Servicer”) that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party’s actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) “Hazardous Substances” are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) “Environmental Law” means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) “Environmental Cleanup” includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an “Environmental Condition” means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products). Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spills, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower’s breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18)

OREGON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

ITEM 21021.0 (001)—MERS

(Please 10 of 12 pages)
unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and 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 Section 22, 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.

23. 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 reconveyance 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.

24. 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.

25. Attorneys’ Fees. As used in this Security Instrument and in the Note, attorneys’ fees shall include those awarded by an appellate court.

26. Protective Advances. This Security Instrument secures any advances Lender, at its discretion, may make under Section 9 of this Security Instrument to protect Lender’s interest in the Property and rights under this Security Instrument.

27. Required Evidence of Property Insurance.

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 pages 1 through 12 of this Security Instrument and in any Rider executed by Borrower and recorded with it.

Robert P. Jansen
- (Seal)
- Borrower

Louetta M. Jansen
- (Seal)
- Borrower

Witness:

Witness:

State of Oregon
County of Coos

This instrument was acknowledged before me on January 8, 2004 (date) by Robert P. Jansen, Louetta M. Jansen

Lisa Summa
Notary Public for Oregon

My commission expires: 2-15-2004
LEGAL DESCRIPTION

The following described tract of land lying in the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron rod which bears South 81° 21' 52" East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81° 21' 52" East a distance of 621.09 feet to a 5/8 inch iron rod; thence South 9° 51' 28" West a distance of 140.56 feet to a 5/8 inch iron rod; thence North 84° 57' 12" East a distance of 100.90 feet; thence Deed Record South 82° 40' 00" East a distance of 278.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southeasterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 5/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 5/8 inch iron rod with a plastic cap; thence North 38° 18' 36" West a distance of 220.08 feet to a 5/8 inch iron rod with a plastic cap; thence North 73° 59' 42" West a distance of 91.78 feet to a 5/8 inch iron rod with a plastic cap; thence North 23° 25' 07" West a distance of 347.16 feet to a 5/8 inch iron rod with a plastic cap; thence South 79° 59' 16" West a distance of 167.11 feet to a 5/8 inch iron rod with a plastic cap; thence North 29° 52' 21" West a distance of 116.29 feet to a 5/8 inch iron rod with a plastic cap; thence North 11° 23' 37" West a distance of 224.24 feet to a 5/8 inch iron rod with a plastic cap; thence North 17° 00' 11" West a distance of 88.26 feet to the point of beginning.

ALSO that tract described in Volume 180 Page 692 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the South boundary of the Northwest quarter of the Southeast quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the Southwest corner of the said Northwest quarter of the Southeast Quarter of Section 12 bears North 80° 01' West a distance of 84.00 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.18 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 252.04 feet to an iron pipe on the South boundary of the said Northwest quarter of the Southeast quarter of Section 12; thence North 80° 01' West along the said South boundary for a distance of 294.46 feet to the point of beginning. Being a portion of the vacated part of the Plat of South Harbor in the Northwest quarter of the Southeast quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.

END OF LEGAL DESCRIPTION

Order No. 24-90366
Do not sign this loan agreement before you read it. This loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

PREPAYMENT OPTION RIDER

Date: 1/15/2004
Loan Number: PDX200039

FOR VALUE RECEIVED, the undersigned ("Borrower") agree(s) that the following provisions shall be incorporated into that certain Deed of Trust, Mortgage or Security Deed of even date herewith (the "Security Instrument") executed by borrower, as trustee, in favor of Gateway Financial Services ("Lender"), as beneficiary, and also into that certain promissory note (the "Note") of even date herewith executed by Borrower in favor of Lender. To the extent that the provisions of this Prepayment Option Rider (the "Rider") are inconsistent with the provisions of the Security Instrument and/or the Note, the provisions of the Rider shall prevail over and shall supersede any such inconsistent provisions of the Security Instrument and/or the Note.

Section 4

4. BORROWER'S PAYMENTS BEFORE THEY ARE DUE

I have the right to make payments of principal at any time before they are due. A prepayment of the entire unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

Except as provided below, I may make a full prepayment or a partial prepayment without paying any penalty. If I make a partial prepayment equal to one or more of my monthly payments, my due date may be advanced no more than one month. If I make any other partial prepayment, I must still make each later payment as it becomes due and in the same amount. I may make a full prepayment at any time. However, if within the first 12 month(s) after the execution of the Security Instrument, I make any prepayment(s) within any 12-month period the total amount of which exceeds twenty percent (20%) of the original principal amount of this loan, I will pay a prepayment charge in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of my prepayment(s) within that 12-month period exceeds twenty percent (20%) of the original principal amount of the loan.

By signing below, borrower accepts and agrees to the terms and covenants contained in this Prepayment Rider.

Robert P. Jensen 1-20-04
DATE

Leah W. Jensen 1-30-04
DATE

DATE

DATE
Assignment of Trust Deed

For value received, Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Gateway Financial Services, Inc. its successors and/or assigns, hereby assigns and transfers to Wells Fargo Home Mortgage, Inc., all its right, title and interest in and to a certain Trust Deed **executed by Robert P. & Lezette M. Jensen with legal description of: (see legal description attached) and bearing the date of the January 15, 2004 A.D. and recorded on the 28th day of January, 2004 A.D. in the office of the Coos County Recorder, State of Oregon in Book ___________ at page ___________ MFR # 2004-1208.

Signed this 19th day of February, 2004

Mortgage Electronic Registration Systems, Inc. ("MERS")

By: ____________________________
Assistant Secretary

State of Oregon, County of Washington On 2-14-04 before me, personally appeared Robert A. Salas Jr., personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

______________________________
Signature

______________________________
Name (typed or printed)

Notary Public in and for this State

______________________________
Signature

OFFICIAL SEAL

ROBERT A. SALAS JR
NOTARY PUBLIC OREGON
COMMISSION NO. 338508
MY COMMISSION EXPIRES SEPT. 15, 2006

Coos County Clerk, Oregon
Total $51.00
03/12/2004 03:00 PM
#2004-3261 1 OF 2
LEGAL DESCRIPTION

The following described tract of land lying in the Southeast Quarter (SE 1/4) of the Southeast Quarter (SE 1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 6/8 inch iron rod which bears South 89°22'52" East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12, thence South 89°31'52" East a distance of 201.00 feet to a 6/8 inch iron rod; thence South 1°31'20" West a distance of 146.00 feet to a 6/8 inch iron rod; thence North 89°57'12" East a distance of 100.00 feet; thence Dead Record South 63°40'00" East a distance of 278.5 feet; thence following a course perpendicular to the Flores Slough County Road Number 16 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southwesterly on a line parallel to the county road a distance of 35.5 feet, more or less, from a 6/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 6/8 inch iron rod with a plastic cap; thence North 89°15'36" West a distance of 223.05 feet to a 6/8 inch iron rod with a plastic cap; thence North 73°05'42" West a distance of 94.78 feet to a 6/8 inch iron rod with a plastic cap; thence North 23°26'37" West a distance of 347.10 feet to a 6/8 inch iron rod with a plastic cap; thence South 76°35'16" West a distance of 167.11 feet to a 6/8 inch iron rod with a plastic cap; thence North 26°52'11" West a distance of 116.26 feet to a 6/8 inch iron rod with a plastic cap; thence North 11°20'00" East a distance of 224.04 feet to a 6/8 inch iron rod with a plastic cap; thence North 17°00'11" West a distance of 88.25 feet to the point of beginning.

ALSO that tract described in Volume 180 Page 902 Recorders Records, more particularly described as follows: Beginning at an iron pipe on the south boundary of the Northwest Quarter of the Southeast Quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the Southwest corner of the said Northwest Quarter of the Southeast Quarter of Section 12 bears North 89°01' West a distance of 04.00 feet; and running thence North a distance of 203.00 feet to an iron pipe which is located 1118.18 feet South of the center of said Section 12; thence East a distance of 200.0 feet to an iron pipe; thence South for a distance of 282.04 feet to an iron pipe on the South boundary of the said Northwest Quarter of the Southeast Quarter of Section 12; thence North 86°07'01" West along the said South boundary for a distance of 294.06 feet to the point of beginning. Siding a portion of the vacated part of the Plat of South Harbor to the Northwest Quarter of the Southeast Quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.

END OF LEGAL DESCRIPTION

Order No: 24-98366

COOS COUNTY CLERK, OREGON  TOTAL $31.00  03/12/2004  #2004-3291
TERRI L. TURI, CCC, COUNTY CLERK  03:00 PM  2 OF 2
Ticor Title Company
300 W. Anderson
Coos Bay, OR 97420
Phone: (541)269-5127  Fax: (541)267-0990

July 28, 2014

Mulkins & Rambo, LLC
Clyde Mulkins
PO Box 809
North Bend, OR 97459

LIEN AND ENCUMBRANCE REPORT

Report No.: 360614011196  Fee: $100.00
Your Reference Information: Robert P. Jansen and Louetta M. Jansen, 62412 Ross Inlet Rd, Coos Bay, OR 97420

We have searched our Tract Indices as to the following described real property:

The following described tract of land lying in the SW 1/4 of the SE 1/4 of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron rod which bears South 81° 21' 52" East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81° 21' 52" East a distance of 621.09 feet to a 5/8 inch iron rod; thence South 1° 51' 28" West a distance of 140.56 feet to a 5/8 inch iron rod; thence North 84° 57' 12" East a distance of 100.90 feet; thence Deed Record South 82° 40' 00" East a distance of 278.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southeasterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 5/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 5/8 inch iron rod with a plastic cap; thence North 38° 18' 36" West a distance of 220.08 feet to a 5/8" iron rod with a plastic cap; thence North 73° 59' 42" West a distance of 91.78 feet to a 5/8 inch iron rod with a plastic cap; thence North 23° 25' 07" West a distance of 347.16 feet to a 5/8 inch iron rod with a plastic cap; thence South 79° 59' 16" West a distance of 167.11 feet to a 5/8 inch iron rod with a plastic cap; thence North 29° 52' 21" West a distance of 118.29 feet to a 5/8 inch iron rod with a plastic cap; thence North 11° 23' 37" West a distance of 224.24 feet to a 5/8 inch iron rod with a plastic cap; thence North 17° 00' 11" West a distance of 88.26 feet to the point of beginning.

and as of July 24, 2014 at 08:00-AM we find the the last deed of record runs to:

Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety

We also find the following monetary encumbrances of record:

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.

SPECIFIC ITEMS AND EXCEPTIONS:

6. Unpaid Property Taxes are as follows:

   Fiscal Year: 2013-2014
   Amount: $83.60, plus interest, if any
   Levy Code: 916
   Account No.: 524312
   Map No.: 26-13-12D TL#804

   Prior to close of escrow, please contact the Tax Collector’s Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

7. Property taxes in an undetermined amount, which are a lien but not yet payable, including any assessments collected with taxes to be levied for the fiscal year 2014-2015.

8. The Land has been classified as Forest, as disclosed by the tax roll. If the Land becomes disqualified, said Land may be subject to additional taxes and/or penalties.

9. A deed of trust to secure an indebtedness in the amount shown below,

   Amount: $100,500.00
   Dated: January 15, 2004
   Trustor/Grantor: Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety
   Trustee: Fidelity National Title Company
   Beneficiary: Mortgage Electronic Registration Systems, Inc. (MERS), organized and existing under the laws of Delaware, solely as nominee for Gateway Financial Services, its successors and assigns
   Recording Date: January 28, 2004
   Recording No: 2004-1208

   A. An assignment of the beneficial interest under said deed of trust which names:

      Assignee: Wells Fargo Home Mortgage, Inc
      Recording Date: March 12, 2004
      Recording No: 2004-3291

   END OF EXCEPTIONS

Note: Property taxes for the fiscal year shown below are paid in full.

Fiscal Year: 2013-2014
Amount: $1,219.85
Levy Code: 901
Account No.: 524382
Map No.: 26-13-12D TL#804

Prior to close of escrow, please contact the Tax Collector’s Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
Note: The last conveyance(s) affecting said Land, which recorded over 24 months of the date of this report, are as follows:

Grantor: Mariion M. Jansen and Myrtle Lawrence
Grantee: Robert P. Jansen and Louetta M. Jansen, husband and wife
Recording Date: July 2, 1990
Recording No: 90-07-0014

The above information is the result of a limited search requested by the addressee and does not represent a commitment to issue any policy of title insurance. Ticor Title Company shall have no liability for any errors or omissions in this limited search which is utilized for monetary lien information only. No third party shall have any right to rely upon this information for any purpose. Liability in connection with this search is expressly limited to the fee paid.

Ticor Title Company

[Signature]

Ellen Breiter
Ticor Title Company  
300 W. Anderson  
Coos Bay, OR 97420  
Phone: (541)269-5127  Fax: (541)267-0990

July 28, 2014

Mulkins & Rambo, LLC  
Clyde Mulkins  
PO Box 809  
North Bend, OR 97459

LIEN AND ENCUMBRANCE REPORT

Report No.: 360614011196  
Fee: $100.00

Your Reference Information: Robert P. Jansen and Louetta M. Jansen, 62412 Ross Inlet Rd, Coos Bay, OR 97420

We have searched our Tract Indices as to the following described real property:

The following described tract of land lying in the SW 1/4 of the SE 1/4 of Section 12, Township 20 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron rod which bears South 81° 21' 52" East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81° 21' 52" East a distance of 621.09 feet to a 5/8 inch iron rod; thence South 1° 51' 28" West a distance of 140.56 feet to a 5/8 inch iron rod; thence North 84° 57' 12" East a distance of 100.90 feet; thence Deed Record South 82° 40' 00" East a distance of 278.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southwesterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 5/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 5/8 inch iron rod with a plastic cap; thence North 38° 18' 36" West a distance of 220.08 feet to a 5/8" iron rod with a plastic cap; thence North 73° 59' 42" West a distance of 91.78 feet to a 5/8" iron rod with a plastic cap; thence North 23° 25' 07" West a distance of 347.16 feet to a 5/8" iron rod with a plastic cap; thence South 79° 59' 16" West a distance of 167.11 feet to a 5/8" iron rod with a plastic cap; thence North 29° 52' 21" West a distance of 116.29 feet to a 5/8" iron rod with a plastic cap; thence North 11° 23' 37" West a distance of 224.24 feet to a 5/8" iron rod with a plastic cap; thence North 17° 00' 11" West a distance of 88.26 feet to the point of beginning.

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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.

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SPECIFIC ITEMS AND EXCEPTIONS:

6. Unpaid Property Taxes are as follows:

   Fiscal Year: 2013-2014  
   Amount: $83.60, plus interest, if any  
   Levy Code: 916  
   Account No.: 524312  
   Map No.: 26-13-12D TL#804

   Prior to close of escrow, please contact the Tax Collector’s Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.

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   Amount: $100,500.00  
   Dated: January 15, 2004  
   Trustor/Grantor: Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety  
   Trustee: Fidelity National Title Company  
   Beneficiary: Mortgage Electronic Registration Systems, Inc. (MERS), organized and existing under the laws of Delaware, solely as nominee for Gateway Financial Services, its successors and assigns  
   Recording Date: January 28, 2004  
   Recording No: 2004-1208

A. An assignment of the beneficial interest under said deed of trust which names:

   Assignee: Wells Fargo Home Mortgage, Inc  
   Recording Date: March 12, 2004  
   Recording No: 2004-3291

END OF EXCEPTIONS

Note: Property taxes for the fiscal year shown below are paid in full.

Fiscal Year: 2013-2014  
Amount: $1,219.85  
Levy Code: 901  
Account No.: 524382  
Map No.: 26-13-12D TL#804

Prior to close of escrow, please contact the Tax Collector’s Office to confirm all amounts owing, including current fiscal year taxes, supplemental taxes, escaped assessments and any delinquencies.
Note: The last conveyance(s) affecting said Land, which recorded over 24 months of the date of this report, are as follows:

Grantor: Mariion M. Jansen and Myrtle Lawrence
Grantee: Robert P. Jansen and Louetta M. Jansen, husband and wife
Recording Date: July 2, 1990
Recording No: 90-07-0014

The above information is the result of a limited search requested by the addressee and does not represent a commitment to issue any policy of title insurance. Ticor Title Company shall have no liability for any errors or omissions in this limited search which is utilized for monetary lien information only. No third party shall have any right to rely upon this information for any purpose. Liability in connection with this search is expressly limited to the fee paid.

Ticor Title Company
Ellen Breiter
TICOR TITLE COMPANY

Location statements by actual survey and verification at any time or dimension shall be the Company's estimate no liability for this purpose.

Township 24 Range 13 Section 12

SEE MAP 26S 13W 120
WARRANTY DEED 9-4-90

GRANTOR: MARILYN M. JANSEN AND MYSTEE LAWRENCE

CONVEY TO AND WARRANTS TO

GRANTEE: ROBERT P. JANSEN AND LOUETTA M. JANSEN, HUSBAND AND WIFE

the following described real property free of encumbrances except as specifically set forth herein:

FOR LEGAL DESCRIPTION, SEE ATTACHED EXHIBIT "A"

STATE OF CALIFORNIA
COUNTY OF SACRAMENTO

On this 25th day of May, in the year of 1990, before me, the undersigned, a Notary Public, personally appeared MARTIN M. Jansen, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to this instrument and acknowledged the same.

WITNESS my hand and official seal.

MARTIN M. Jansen
Notary Public, State of California

This instrument will not allow use of the property described in this instrument in violation of applicable land use laws and regulations. Before signing or accepting this instrument, the person acquiring fee title to the property should check with appropriate city or county planning department to verify applicable uses.

If grantor is a corporation, this has been signed by authority of the Board of Directors, with the seal of said corporation affixed.

DATE: APRIL 22, 1990

GRANTOR:

NOTARY PUBLIC - CALIFORNIA
JOHN E. HAM

STATE OF OREGON, County of COOS

May 7, 1990

Personally appeared the person named MARTIN M. Jansen,

and acknowledged the foregoing instrument to be her voluntary act and deed, before me.

My commission expires 1-12-94

WARRANTY DEED

AFTER RECORING RETURN TO

WITNESS my hand and seal of County affixed.

STATE OF OREGON, County of

I certify that the above instrument was received for record on the (date)

Day of (month)

M., and recorded in book on page

Witness my hand and seal of County affixed.

COUNTY CLERK

By

Deputy.
PROPERTY DESCRIPTION

The following described tract of land lying in the Southwest Quarter (SW/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows:

Beginning at a 5/8 inch iron rod which bears South 81 degrees 21 minutes 52 seconds East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81 degrees 21 minutes 52 seconds East a distance of 621.09 feet to a 5/8 inch iron rod; thence South 1 degree 51 minutes 28 seconds West a distance of 140.56 feet to a 5/8 inch iron rod; thence North 81 degrees 57 minutes 12 seconds East a distance of 100.90 feet; thence South 82 degrees 40 minutes 00 seconds East a distance of 278.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 16 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southwesterly on a course perpendicular to the county road a distance of 35.3 feet, more or less from a 5/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 5/8 inch iron rod with a plastic cap; thence North 36 degrees 18 minutes 36 seconds West a distance of 220.08 feet to a 5/8 inch iron rod with a plastic cap; thence North 73 degrees 59 minutes 42 seconds West a distance of 91.76 feet to a 5/8 inch iron rod with a plastic cap; thence North 23 degrees 25 minutes 07 seconds West a distance of 347.16 feet to a 5/8 inch iron rod with a plastic cap; thence South 79 degrees 59 minutes 16 seconds West a distance of 167.11 feet to a 5/8 inch iron rod with a plastic cap; thence North 29 degrees 52 minutes 21 seconds West a distance of 116.29 feet to a 5/8 inch iron rod with a plastic cap; thence North 14 degrees 23 minutes 37 seconds West a distance of 224.24 feet to a 5/8 inch iron rod with a plastic cap; thence North 17 degrees 08 minutes 00 seconds West a distance of 88.26 feet to the point of beginning.

Said tract contains 10.22 acres, more or less.
Also, that tract described in Volume 180 Page 692 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the south boundary of the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe on the southwest corner of the said Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12 being North 80 degrees 01 minutes West a distance of 115.90 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.16 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 231.94 feet to an iron pipe on the south boundary of the said Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12; thence North 80 degrees 01 minutes West along the said south boundary for a distance of 294.40 feet to the point of beginning. Containing 1.50 acres, more or less, and being a portion of the vacated part of the Plat of South Harbor in the Northwest Quarter (NW1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.
DEED OF TRUST

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated January 15, 2004, together with all Riders to this document.

(B) "Borrower" is Robert P. Jansen and Louetta M. Jansen, as tenants by the entirety

Borrower is the trustor under this Security Instrument.

(C) "Lender" is Gateway Financial Services
Lender is a An Oregon Corporation
the laws of Oregon
organized and existing under . Lender’s address is
9400 SW Barnes Road, Suite 100, Portland, OR 97225

(D) "Trustee" is Fidelity Title

(E) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Lender and Lender’s successors and assigns. MERS is the beneficiary under this Security Instrument. 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.

(F) "Note" means the promissory note signed by Borrower and dated January 15, 2004. The Note states that Borrower owes Lender One Hundred Thousand Five Hundred and no/100 Dollars (U.S. $100,500.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than February 01, 2034

(G) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."
(H) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.

(I) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- Adjustable Rate Rider
- Condominium Rider
- Second Home Rider
- Balloon Rider
- Planned Unit Development Rider
- Other(s) [specify]
- Pre-payment Rider
- 1-4 Family Rider
- Biweekly Payment Rider

(J) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(K) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(L) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(M) "Escrow Items" means those items that are described in Section 3.

(N) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(O) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(P) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 5 of this Security Instrument.

(Q) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. §2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(R) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.
TRANSFER OF RIGHTS IN THE PROPERTY

The beneficiary of this Security Instrument is MERS (solely as nominee for Lender and Lender’s successors and assigns) and the successors and assigns of MERS. This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) 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 the

[Name of Recording Jurisdiction]

See attached Exhibit “A”
APN A#5228.74/A#5243.12/A#5243.82

which currently has the address of

Coos Bay
[City]
Oregon

62412 Ross Inlet Road
[Street]

97420
[Zip Code]

(“Property Address”):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all appurtenances, fixtures now or hereafter a part of the property. All additions 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 understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Lender and Lender’s successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Lender including, but not limited to, releasing and canceling this Security Instrument.

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, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer’s check or cashier’s check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or
partial payment if the payment or partial payments are insufficient to bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the “Funds”) to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called “Escrow Items.” At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower’s obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower’s obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower’s obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase “covenant and agreement” is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section 15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that are then required under this Section 3.

Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items otherwise in accordance with Applicable Law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Lender shall not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on the Funds, Lender shall not be required to pay Borrower any interest.
or earnings on the Funds. Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by RESPA.

If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in accordance with RESPA, but in no more than 12 monthly payments. If there is a deficiency of Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in accordance with RESPA, but in no more than 12 monthly payments.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument, leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall pay them in the manner provided in Section 3.

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, but only so long as Borrower is performing such agreement; (b) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lender’s opinion do not prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration

OREGON—Single Family—Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

FORM 3028 1/01

ITEM 2002-05-001-001 (MERS) (Page 5 of 12 pages)
period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance proceeds shall be applied in the order provided for in Section 2.

If Borrower abandons the Property, Lender may file, negotiate and settle any available insurance claim and related matters. If Borrower does not respond within 30 days to a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, or if Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Note or this Security Instrument, and (b) any other of Borrower's rights (other than the right to any refund of unearned premiums paid by Borrower) under all insurance policies covering the Property, insofar as such rights are applicable to the coverage of the Property. Lender may use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Note or this Security Instrument, whether or not then due.

6. Occupancy. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control.

7. Preservation, Maintenance and Protection of the Property; Inspections. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not relieved of Borrower's obligation for the completion of such repair or restoration.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause.

8. Borrower's Loan Application. Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

9. Protection of Lender's Interest in the Property and Rights Under this Security Instrument. If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lender's actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.
Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender’s requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower’s obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower’s payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer’s risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer’s risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed “captive reinsurance.” Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights of Borrower has—if any—with respect to the Mortgage Insurance under the Homeowners Protection Act of 1996 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender’s security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender’s satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender’s security would be lessened, the Miscellaneous Proceeds shall be
applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

Borrower shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lender’s judgment, could result in forfeiture of the Property or other material impairment of Lender’s interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lender’s judgment, precludes forfeiture of the Property or other material impairment of Lender’s interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lender’s interest in the Property are hereby assigned and shall be paid to Lender.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be applied in the order provided for in Section 2.

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to 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 any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender’s acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower’s obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a “co-signer”): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer’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 can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer’s consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower’s obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower’s rights and benefits under this Security Instrument. Borrower shall not be released from Borrower’s obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower’s default, for the purpose of protecting Lender’s interest in the Property and rights under this Security Instrument, including, but not
limited to, attorneys’ fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the Loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower’s acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. 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. 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.

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or any contract 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.

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word “may” gives sole discretion without any obligation to take any action.

17. Borrower’s Copy. Borrower shall be given one copy of the Note and this Security Instrument.

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, “Interest in the Property” means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender’s prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

19. Borrower’s Right to Reinstatement After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower’s right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys’ fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender’s interest in the Property.
and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender’s interest in the Property and rights under this Security Instrument, and Borrower’s obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer’s check or cashier’s check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the “Loan Servicer”) that collects periodic payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party’s actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) “Hazardous Substances” are those substances defined as toxic or hazardous substances, pollutants, or wastes 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; (b) “Environmental Law” means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) “Environmental Cleanup” includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an “Environmental Condition” means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, 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. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

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

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower’s breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18).
unless Applicable Law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and 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 Section 22, 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.

23. 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.

24. 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.

25. Attorneys’ Fees. As used in this Security Instrument and in the Note, attorneys’ fees shall include those awarded by an appellate court.

26. Protective Advances. This Security Instrument secures any advances Lender, at its discretion, may make under Section 9 of this Security Instrument to protect Lender’s interest in the Property and rights under this Security Instrument.

27. Required Evidence of Property Insurance.

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 pages 1 through 12 of this Security Instrument and in any Rider executed by Borrower and recorded with it.

Robert P. Jansen  
Borrower

Louetta M. Jansen  
Borrower

Witness:

Witness:

State of Oregon
County of Coos

This instrument was acknowledged before me on January 26, 2004 (date) by Robert P. Jansen, Louetta M. Jansen (person[s] acknowledging).

LISA SUMMA  
Notary Public for Oregon

My commission expires: 2-15-2004
LEGAL DESCRIPTION

The following described tract of land lying in the Southwest Quarter (SW 1/4) of the Southeast Quarter (SE 1/4) of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 5/8 inch iron rod which bears South 81° 21' 52" East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12; thence South 81° 21' 52" East a distance of 621.09 feet to a 5/8 inch iron rod; thence South 1° 51' 28" West a distance of 140.56 feet to a 5/8 inch iron rod; thence North 84° 57' 12" East a distance of 100.90 feet; thence Deed Record South 82° 40' 00" East a distance of 276.5 feet; thence following a course perpendicular to the Ross Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southeasterly on a course perpendicular to the county road a distance of 35.5 feet, more or less, from a 5/8 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 5/8 inch iron rod with a plastic cap; thence North 38° 18' 36" West a distance of 220.08 feet to a 5/8" iron rod with a plastic cap; thence North 73° 59' 42" West a distance of 91.78 feet to a 5/8 inch iron rod with a plastic cap; thence North 23° 25' 07" West a distance of 347.16 feet to a 5/8 inch iron rod with a plastic cap; thence South 79° 59' 16" West a distance of 167.11 feet to a 5/8 inch iron rod with a plastic cap; thence North 29° 52' 21" West a distance of 116.29 feet to a 5/8 inch iron rod with a plastic cap; thence North 11° 23' 37" West a distance of 224.24 feet to a 5/8 inch iron rod with a plastic cap; thence North 17° 00' 11" West a distance of 88.26 feet to the point of beginning.

ALSO that tract described in Volume 180 Page 692 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the South boundary of the Northwest quarter of the Southeast quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the Southwest corner of the said Northwest quarter of the Southeast Quarter of Section 12 bears North 80° 01' West a distance of 84.00 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.16 feet South of the center of said Section 12; thence East a distance of 290.0 feet to an iron pipe; thence South for a distance of 252.04 feet to an iron pipe on the South boundary of the said Northwest quarter of the Southeast quarter of Section 12; thence North 80° 01' West along the said South boundary for a distance of 294.46 feet to the point of beginning. Being a portion of the vacated part of the Plat of South Harbor in the Northwest quarter of the Southeast quarter of Section 12, Township 26 South, Range 13 West of the Willamette Meridian.

END OF LEGAL DESCRIPTION

Order No. 24-90366
Do not sign this loan agreement before you read it. This loan agreement provides for the penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

PREPAYMENT OPTION RIDER

Date: 1/15/2004

Loan Number: PDX200039

FOR VALUE RECEIVED, the undersigned ("Borrower") agree(s) that the following provisions shall be incorporated into that certain Deed of Trust, Mortgage or Security Deed of even date herewith (the "Security Instrument") executed by borrower, as trustor, in favor of Gateway Financial Services

("Lender"), as beneficiary, and also into that certain promissory note (the "Note") of even date herewith executed by Borrower in favor of Lender. To the extent that the provisions of this Prepayment Option Rider (the "Rider") are inconsistent with the provisions of the Security Instrument and/or the Note, the provisions of the Rider shall prevail over and shall supersede any such inconsistent provisions of the Security Instrument and/or the Note.

Section 4

4. BORROWER'S PAYMENTS BEFORE THEY ARE DUE

I have the right to make payments of principal at any time before they are due. A prepayment of the entire unpaid principal is known as a "full prepayment". A prepayment of only part of the unpaid principal is known as a "partial prepayment".

Except as provided below, I may make a full prepayment or a partial prepayment without paying any penalty. If I make a partial prepayment equal to one or more of my monthly payments, my due date may be advanced no more than one month. If I make any other partial prepayment, I must still make each later payment as it becomes due and in the same amount. I may make a full prepayment at any time. However, if within the first 3 year(s) after the execution of the Security Instrument, I make any prepayment(s) within any 12-month period the total amount of which exceeds twenty percent (20%) of the original principal amount of this loan, I will pay a prepayment charge in an amount equal to the payment of six (6) months' advance interest on the amount by which the total of my prepayment(s) within that 12-month period exceeds twenty percent (20%) of the original principal amount of the loan.

By signing below, borrower accepts and agrees to the terms and covenants contained in this Prepayment Rider.

Robert P. Morin
DATE 1-20-04

Lucille M. Jansen
DATE 1-20-04

DATE

DATE
Assignment of Trust Deed

Loan No. 2004039
MIN #1001920-0000000043-5
MERS Phone no. 1-888-679-6377

For value received, Mortgage Electronic Registration Systems, Inc. ("MERS") as nominee for Gateway Financial Services, Inc., its successors and/or assigns, hereby assign and transfer to Wells Fargo Home Mortgage, Inc., all its right, title and interest in and to a certain **Trust Deed** executed by Robert P. & Louette M. Jansen with legal description of (see legal description attached) and bearing the date of the January 15, 2004 A.D. and recorded on the 28th day of January 2004 A.D. in the office of the Coos County Recorder, State of Oregon in Book at page MFR # 2004-1208.

Signed this 15th day of February 2004

Mortgage Electronic Registration Systems, Inc. ("MERS")

By: ____________________________
Assistant Secretary

State of Oregon, County of Washington. On 2/15/04 before me, personally appeared ________________________________ , personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(es), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

______________________________
Signature

______________________________
Name (typed or printed)

Notary Public in and State (this area for official notarial seal)

COOS COUNTY CLERK, OREGON
TOTAL $31.00
TERRI L. TURI, CCC, COUNTY CLERK
05/12/2004 03:00 PM #2004-3291 1 OF 2
LEGAL DESCRIPTION

The following described tract of land lying in the Northeast Quarter (NE1/4) of the Southeast Quarter (SE1/4) of Section 12, Township 20 South, Range 13 West of the Willamette Meridian, Coos County, Oregon, more particularly described as follows: Beginning at a 6/8 inch iron rod which bears South 61° 21’ 62” East a distance of 247.31 feet from the center south one-sixteenth corner of said Section 12, thence South 81° 21’ 62” East a distance of 623.06 feet to a 3/8 inch iron rod; thence South 71° 31’ 28” West a distance of 140.56 feet to a 6/8 inch iron rod; thence North 84º 57’ 12” East a distance of 100.00 feet; thence South 85º 47’ 00” East a distance of 278.5 feet; thence following a boundary perpendicular to the road Slough County Road Number 18 a distance of 20 feet, more or less, to the constructed centerline; thence Southwesterly along the constructed centerline to a point which is Southwesterly on a course perpendicular to the county road a distance of 35.3 feet, more or less, from a 9/16 inch iron rod with a plastic cap; thence Northwesterly a distance of 35.50 feet, more or less, to a 6/8 inch iron rod with a plastic cap; thence North 33º 16’ 30” West a distance of 220.00 feet to a 6/8 inch iron rod with a plastic cap; thence North 73º 50’ 42” West a distance of 61.78 feet to a 6/8 inch iron rod with a plastic cap; thence North 83º 25’ 37” West a distance of 140.16 feet to a 3/8 inch iron rod with a plastic cap; thence South 79º 29’ 16” West a distance of 167.11 feet to a 6/8 inch iron rod with a plastic cap; thence South 29º 52’ 31” West a distance of 118.29 feet to a 6/8 inch iron rod with a plastic cap; thence North 11º 23’ 37” West a distance of 244.04 feet to a 6/8 inch iron rod with a plastic cap; thence North 17º 00’ 11” West a distance of 66.26 feet to the point of beginning.

ALSO that tract described in Volume 160 Page 602 Recorder's Records, more particularly described as follows: Beginning at an iron pipe on the South boundary of the Northwest quarter of the Northwest Quarter of Section 12, Township 28 South, Range 13 West of the Willamette Meridian, from which point the iron pipe at the Northwest corner of the said Northwest Quarter of the Northwest Quarter of Section 12 bears North 67º 07’ West a distance of 45.00 feet; and running thence North a distance of 200.0 feet to an iron pipe which is located 1116.18 feet South of the center of said Section 12; thence East a distance of 200.0 feet to an iron pipe; thence South for a distance of 232.0 feet to an iron pipe on the South boundary of the said Northwest Quarter of the Southeast Quarter of Section 12; thence North 80º 07’ West along the said South boundary for a distance of 284.46 feet to the point of beginning. Easement a portion of the vacant part of the Platte Street Easement in the Northwest quarter of the Northwest Quarter of Section 12, Township 20 South, Range 13 West of the Willamette Meridian.

END OF LEGAL DESCRIPTION

Order No. 26-00386

COOS COUNTY CLERK, OREGON  TOTAL $31.00  03/12/2004  #2004-3291
TERRI L. TURI, CCC, COUNTY CLERK  03:00 PM  2 OF 2