

ADDENDUM
(Oregon)

HUD Project Number:
Project Name:

The title of the Security Instrument and the first sentence thereof is modified as follows:
HEALTHCARE (MORTGAGE, DEED OF TRUST, AS APPROPRIATE) ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT, AND FIXTURE FILING (OREGON)

The following sections are inserted into the Security Instrument and made a part thereof:

Insert on front page:

Prepared by, and after recording return to:

Statutory Notice:

A. The address of the entity holding a lien or other interest created by this instrument is:

B. The tax account number(s) of the Property subject to the lien or in which the interest is created:

In the event of any conflict between the description of the real property included in this Deed of Trust and the foregoing tax account numbers, the description in the Deed of Trust shall control.

[Note: Do not delete paragraph 43. The following provisions are to be added to paragraph 43]:

43. ACCELERATION; REMEDIES. After giving Borrower notice of the occurrence of an Event of Default in the manner prescribed by Oregon law, Lender may invoke the power of sale

and any other remedies permitted by Oregon law or provided in this Instrument or in any other Loan Document. Borrower has the right to bring an action to assert that an Event of Default does not exist or to raise any other defense Borrower may have to acceleration and sale. Lender may also foreclose this Instrument judicially as a mortgage. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including attorneys' fees and costs of documentary evidence, abstracts and title reports.

If Lender invokes the power of sale, Lender shall give written notice to Trustee of the occurrence of the Event of Default and of Lender's election to cause the Mortgaged Property to be sold. Trustee and Lender shall give such notices as Oregon law may require to Borrower and to all other persons entitled to receive notice under Oregon law. After the lapse of such time as may be required by Oregon law, Trustee shall sell the Mortgaged Property according to Oregon law. Trustee may sell the Mortgaged Property at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone the sale of all or any part of the Mortgaged Property for a period or periods not exceeding a total of 180 days by public announcement at the time and place fixed in the notice of sale. Lender or Lender's designee may purchase the Mortgaged Property at any sale.

Trustee shall deliver to the purchaser at the sale, within a reasonable time after the sale, a deed conveying the Mortgaged Property so sold without any covenant or warranty, express or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made in those recitals. Trustee shall apply the proceeds of the sale in the following order: (a) to all costs and expenses of the sale, including Trustee's fees not to exceed 5% of the gross sales price, attorneys' fees and costs of title evidence; (b) to the Indebtedness in such order as Lender, in Lender's discretion, directs; and (c) the excess, if any, to the person or persons legally entitled to the excess.

Add the following provisions:

49. RECONVEYANCE. Upon payment of the Indebtedness, Lender shall request Trustee to reconvey the Mortgaged Property and shall surrender this Instrument and the Note to Trustee. Trustee shall reconvey the Mortgaged Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Mortgaged Property and costs of recording, if any.

50. SUBSTITUTE TRUSTEE. In accordance with Oregon law, Lender may from time to time appoint a successor trustee to any Trustee appointed under this Instrument who has ceased to act. Without conveyance of the Mortgaged Property, the successor trustee shall succeed to all the title, power and duties conferred upon the predecessor Trustee and by Oregon law.

51. USE OF MORTGAGED PROPERTY. The Mortgaged Property is not used for agricultural, timber or grazing purposes.

52. ATTORNEYS' FEES. As used in this Instrument and in the Note, "Attorneys' Fees and Costs" shall include attorneys' fees, if any, which shall be incurred whether or not legal action is

commenced and any such fees incurred at trial, arbitration, interpleader, bankruptcy, hearing or any judicial proceeding, and on appeal.

53. TIME OF ESSENCE. Time is of the essence of each covenant of this Instrument.

54. FORCED PLACE INSURANCE NOTICE. 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 THIS COST IS ADDED TO YOUR CONTRACT OR LOAN BALANCE, THE INTEREST RATE PAYABLE UNDER THE UNDERLYING LOAN WILL APPLY TO THIS ADDED AMOUNT. THE EFFECTIVE DATE OF THE 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. (Each reference to “you” and “your” shall refer to Borrower and each reference to “us” and “we” shall refer to Lender.)

55. NO ORAL COMMITMENTS NOTICE. UNDER OREGON LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS MADE BY LENDER AFTER OCTOBER 3, 1989, CONCERNING LOANS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLELY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND BE SIGNED BY LENDER TO BE ENFORCEABLE.

56. WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS

**SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY
WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.**

57. FINANCING STATEMENT. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture and for the purposes of such financing statement: (a) the Debtor shall be Borrower and the Secured Party shall be Lender; (b) the addresses of Borrower as Debtor and of Lender as Secured Party are as specified above in the first paragraph of this Instrument; (c) the name of the record owner is Borrower; and (d) the types or items of collateral consist of any part of the Mortgaged Property which is or may become a Fixture.

58. MISCELLANEOUS PROVISIONS

- (a) The Mortgaged Property is not used for agricultural, timber, or grazing purposes.
- (b) As used in this Security Instrument, the Note, and in the Loan Documents, "attorneys' fee" shall include attorneys' fees, if any, which shall be incurred whether or not legal action is commenced and any such fees incurred at trial, arbitration, interpleader, bankruptcy, hearing, or any judicial proceeding, and on appeal.

59. CONSTRUCTION MORTGAGE. This Security Instrument secures unpaid balances of obligatory loan advances to be made by Lender to Borrower pursuant to the terms and provision of the Building Loan Agreement, the terms and provisions of which are incorporated herein as if fully rewritten. Said Building Loan Agreement obligates Lender to advance to Borrower certain sums under definite and certain conditions, in a particular manner and at the times set forth therein, the total outstanding principal indebtedness of which, at any one time, is not to exceed _____ and 00/100 Dollars (\$_____). The Building Loan Agreement may be inspected by interested persons at the offices of the Lender. This Security Instrument secures an obligation incurred for the construction of improvements to the Mortgaged Property and, as such, is a "construction mortgage" as said term is used and defined under Article 9 of the Uniform Commercial Code.

**THE SECURITY INSTRUMENT SHALL BE PREPARED TO CONFORM TO THE
REQUIREMENTS OF THE LOCAL FILING JURISDICTION IN WHICH THE
INSTRUMENT IS TO BE RECORDED AND FILED**