

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 7
Case No. 04-60963 DDO

Kay Lynn Skjerven,

Debtor.

NOTICE OF HEARING AND
MOTION FOR RELIEF FROM STAY

1. Vanderbilt Mortgage & Finance, Inc. ("Movant"), a secured creditor of the Debtor herein, by its undersigned attorney, moves the Court for the relief requested below, and gives notice of hearing herewith.

2. The Court will hold a hearing on this motion at 1:00 o'clock p.m., on September 28, 2004, before the Honorable Dennis D. O'Brien, U.S. P.O. Building, 118 S. Mill Street, Fergus Falls, Minnesota, or as soon thereafter as counsel may be heard.

3. Any response to this motion must be filed and delivered not later than September 21, 2004, which is seven days before the time set for the hearing (including Saturdays, Sundays and holidays), or filed and served by mail not later than September 17, 2004, which is ten days before the date set for the hearing (including Saturdays, Sundays and holidays). UNLESS A RESPONSE OPPOSING THE MOTION IS TIMELY FILED, THE COURT MAY GRANT THE MOTION WITHOUT A HEARING.

4. This motion is filed pursuant to Bankruptcy Rule 4001 and Local Rules 9013-2 and 4001-1 and Movant requests relief from the automatic stay of 11 U.S.C. § 362(a) with respect to certain personal property subject to Movant's valid security interest.

5. This case was filed as a voluntary case under Chapter 7 of the United States Bankruptcy Code, and the case is now pending in this Court. This Court has jurisdiction over this motion pursuant to 28 U.S.C. §§ 1334 and 157(a), Local Rule 1070-1, Fed. R. Bankr. P. 5005 and applicable rules. This is a core proceeding.

6. Movant holds a valid, perfected security interest in the following:

The South Five Hundred Fifty (550) feet of the East Six Hundred Ten (610) feet of Government Lot One (1), Section Four (4), Township One Hundred Sixty-one (161) North, Range Thirty-nine (39) West of the Fifth Principal Meridian in Minnesota, according to the United States Government Survey thereof; Roseau County, Minnesota (the "Mortgage"); and

1998 Skyline "Lexington" Manufactured Home, Serial No. 2T300945KAB (the "Manufactured Home") (collectively, the "Property").

7. Copies of Movant's Promissory Note and Security Agreement (the "Contract") is attached hereto as Exhibit A and incorporated herein by reference.

8. A copy of the Mortgage is attached hereto as Exhibit B, and is incorporated herein by reference.

9. The Mortgage was assigned to Vanderbilt Mortgage and Finance, Inc. on February 16, 1999. A copy of the Assignment of Mortgage by Corporation is attached hereto as Exhibit C and incorporated herein by reference.

10. Monthly payments due under the terms of the Contract and Mortgage for April 2003 through August 2004 (16 payments of \$535.67 each) have not been made by the Debtor. The total delinquency under the Contract and Mortgage is \$8,570.72, late charges, accruing interest, fees and costs. The balance due under the Contract and Mortgage is \$75,236.24 as of the date of filing this case. On information and belief, the fair market value of the Manufactured Home is approximately \$44,538.80.

11. Movant foreclosed on the Property and the Property was sold at sheriff's sale on August 16, 2004, which was after the bankruptcy filing but before Movant had notice of the bankruptcy. Movant learned of the bankruptcy on August 19, 2004.

12. Debtor indicated in her bankruptcy schedules her intent to surrender the Property to Movant. Movant seeks relief from stay in order to proceed with the foreclosure.

13. Debtor's failure to make payments to Movant when due, or otherwise provide Movant with adequate protection of its interest in the Property constitutes cause, within the meaning of 11 U.S.C. § 362(d)(a), entitling Movant to relief from the automatic stay.

14. If testimony is necessary as to any facts relevant to this motion, Claire Henry of Movant, 500 Alcoa Trail, P.O. Box 9800, Maryville, TN 37802, will testify on behalf of Movant.

WHEREFORE, Movant, respectfully moves the Court for an order annulling the automatic stay of section 362(a) of the Bankruptcy Code effective as of August 14, 2004, the date of the bankruptcy petition, and authorizing Movant to foreclose its mortgage and security interest in the Property and for such other relief as may be just and equitable.

Date: August 26, 2004.

FOLEY & MANSFIELD, P.L.L.P.

By /s/ Ruth E. Honkanen

Thomas J. Lallier (#163041)

Ruth E. Honkanen (#175924)

Attorneys for Movant

250 Marquette Avenue, Suite 1200

Minneapolis, MN 55401

(612) 338-8788

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MEMORANDUM IN SUPPORT
OF MOTION

Vanderbilt Mortgage & Finance, Inc., ("Movant") submits this memorandum of law in support of its motion for relief from the stay in the above-entitled matter.

FACTS

Movant holds a mortgage on certain real property and a perfected security interest in a manufactured home located on the real property. Debtor is delinquent with respect to payments due under the note, mortgage and security agreement with Movant and Movant foreclosed by action. The real property and manufactured home were sold at sheriff's sale on August 16, 2004 which is after the bankruptcy filing but before Movant received notice of the bankruptcy. Debtor indicated in her bankruptcy schedules her intent to surrender the Property to Movant. Movant seeks relief from stay in order to proceed with the foreclosure.

ARGUMENT

Pursuant to Section 362(d)(1) of the Bankruptcy Code, relief from the automatic stay shall be granted upon request of a creditor "for cause, including the lack of adequate protection of an interest in property of such [creditor]." 11 U.S.C. Section 362(d)(1). Payments have not been made as required by the note, mortgage and security agreement, and Movant has not been provided with adequate protection of its interest in the Property. Such circumstances constitute

cause, within the meaning of Section 362(d)(1), entitling Movant to relief from the stay. United Savings Assn. of Texas v. Timbers of Inwood Forest Assoc., Ltd. (In re Timbers of Inwood Assoc., Ltd.), 484 U.S. 365, 108 S.Ct. 626, 98 L.Ed.2d 740 (1988).

CONCLUSION

For all the reasons set forth herein, Movant is entitled to an order annulling the automatic stay of 11 U.S.C. § 362(a) effective as of August 14, 2004, and authorizing Movant to continue with the foreclosure.

Dated: August 26, 2004.

Respectfully submitted,

FOLEY & MANSFIELD, P.L.L.P.

By /s/ Ruth E. Honkanen
Thomas J. Lallier (#163041)
Ruth E. Honkanen (#175924)
Attorneys for Movant
250 Marquette Avenue, Suite 1200
Minneapolis, MN 55401
(612) 338-8788

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

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VERIFICATION

I, Claire Henry for Movant, declare, under penalty of perjury, that the foregoing is true and correct to the best of my knowledge, information and belief.

Executed on: 8/26/04

Signed: Claire Henry
Claire Henry

MIS DEED NOTE and SECURITY AGREEMENT
MANUFACTURED HOME

MEANING OF SOME WORDS. In this Promissory Note and Security Agreement (this "Note"), the words "you" and "your" mean anyone signing this Note as a Borrower. The words "we," "us" and "our" mean United Companies Funding, Inc. In this Note, the words "Manufactured Home" or "Home" mean the manufactured home and the additional Appliances, Accessories and Furnishings sold with it (see Description of the Manufactured Home below). If there is more than one Borrower, each will be obligated, separately and together, to pay all sums due and to keep all promises made to us in this Note. All disclosures have been made by

UNITED COMPANIES FUNDING, INC.

2051 Killebrew Drive, Suite 210, Bloomington, MN 55425

YOUR MAILING ADDRESS. You promise to advise us of any change of mailing address while this Note is in effect. We should send any papers or notices concerning the Manufactured Home or this Note to:

Borrower Name: KAY KEZAR, RR 2, Street or Route. City/Town: ROSEAU, County: ROSEAU, State: MINNESOTA, Zip Code: 56751-. CoBorrower sections follow with similar fields.

YOUR MANUFACTURED HOME. This Note is secured by your Manufactured Home (see Our Security Interest section of this Note). While this Note is in effect, you promise the Manufactured Home will be permanently affixed to the real property described in the Mortgage.

RR 2, Street or Route. Name of Park and Owner of Park. City: ROSEAU, County: ROSEAU, State: MINNESOTA, Zip Code: 56751-.

DESCRIPTION OF THE MANUFACTURED HOME (The Manufactured Home includes the additional Appliances, Accessories and Furnishings):

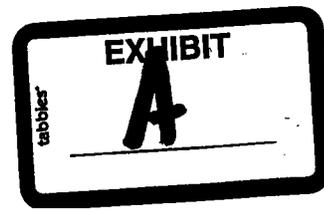
Table with columns: New Year, Manufacturer's Name, Model Name and Model No., Manufacturer's Serial No., Length, Width. Includes rows for SKYLINE, LEXINGTON, and 2T300945KAB.

REAL PROPERTY MORTGAGE: All of your obligations to us under this Note also are secured by the real property described in the mortgage (the "Mortgage"), given by you, as mortgagor, in favor of us, as mortgagee. Refer to the Mortgage for the additional information about your promises concerning the real property.

PROPERTY DAMAGE INSURANCE REQUIRED: You must insure the Manufactured Home against physical damage until all amounts you owe us are paid in full. This insurance must be in amounts and types acceptable to us. If the Manufactured Home is to be transported on the highway, you must have \$100.00 deductible trip insurance. If the Manufactured Home is to be located in an area that has been identified by the Federal Emergency Management Agency as an area having special flood hazards, you must get flood insurance. You must pay for any insurance required by this Note. You may purchase this insurance from any insurance company authorized to transact business in Minnesota. You also may provide the required insurance with a policy you already own. However, if you get the required insurance on your own, the insurance must include (1) deductible provisions and endorsements acceptable to us; (2) provisions that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to us; and (3) must not include any disclaimer of the Insurer's liability for failure to give such notice. You will provide us with the original insurance policy, or other proof satisfactory to us of the insurance coverage, together with all endorsements required by us, including an endorsement naming us as the party to whom all losses will be paid. If you request, we will obtain insurance for you. The insurance coverage we can get for you gives you more types of insurance coverage than required by this Note.

This insurance shall be in effect for N/A months starting and will cost \$ N/A. You authorize us to furnish specific information about the Manufactured Home to any insurance agent who may want to quote premiums and to solicit your insurance business.

If at any time you fail to get or keep in force any insurance required by this Note, we may (but are not required to) get insurance for you, at your expense. If we get you this insurance it will be, at our option, in the form of single or dual interest insurance. You authorize us to release to third parties any information necessary to monitor the status of insurance on your Manufactured Home and to get the insurance described in this Note. You agree that we may earn a fee or commission in connection with placement of any insurance sold in connection with this Note to the extent permitted by law.



Loan No. 152200003470

CREDIT INSURANCE AUTHORIZATION. WE DO NOT REQUIRE YOU TO GET CREDIT LIFE and/or CREDIT DISABILITY INSURANCE WITH THIS NOTE. Credit Life and/or Credit Disability Insurance are not required to obtain credit and will not be provided unless you sign this authorization, agree to pay the additional cost, and your application for insurance is approved. If requested and approved, Credit Life Insurance will be issued for the initial Amount of Benefit, stated below, and will be in effect for the number of months, stated below, beginning on the effective date of the policy. This benefit will decrease across the term of your Note. This Credit Life Insurance may not cover the entire balance due on this Note at the time of death. If requested and approved, Credit Disability Insurance will be issued for the monthly Amount of Benefit, stated below, and will be in effect for the number of months, stated below, beginning on the effective date of the policy. This Credit Disability Insurance may not cover the entire period of disability if the period of disability exceeds the term of the coverage.

Type	Amount of Benefit	Number of Months You Are Covered	Total Premium	Your Signature
Single Credit Life Insurance (one Buyer)	\$ 0.00 per month	0 months	\$ 0.00	I want credit life insurance Signature - Buyer #1 _____ Date _____
Joint Credit Life Insurance (two Buyers)	\$ 0.00 per month	0 months	\$ 0.00	I want joint credit life insurance Signature - Buyer #1 _____ Date _____ I also want joint credit life insurance Signature - Buyer #2 _____ Date _____
Credit Disability Insurance (one Buyer)	\$ 0.00 per month	0 months	\$ 0.00	I want credit disability insurance Signature - Buyer #1 _____ Date _____

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Date of this PROMISSORY NOTE and SECURITY AGREEMENT
The cost of your credit as a yearly rate. 9.350 %	The dollar amount the credit will cost you. \$ 128,299.70	The amount of credit provided to you or on your behalf. \$ 64,545.26	The amount you will have paid after you have made all scheduled payments. \$ 192,844.96	JUNE 2, 1998 Date

e means estimate

Your Payment Schedule will be:

No. of Payments	Amount of Payments	When Payments Are Due
359	\$535.67	SEPTEMBER 10, 1998
1	\$539.40	AUGUST 10, 2028

Security: You are giving a security interest in the Manufactured Home, and the real property upon which the Manufactured Home is or will be located.

Late Charge: Each time you fail to make a payment in full within 15 days after it is due, you will pay a late charge of five percent (5%) of the unpaid amount of the payment, or five dollars (\$5.00), whichever amount is less.

Prepayment: If you pay off early, you will not have to pay a penalty.

Assumption: Someone buying your Manufactured Home, and the real property upon which the Manufactured Home is or will be located may, subject to conditions, be allowed to assume the remainder of this Note on the original terms.

Other information: Refer to the rest of this Note for any additional information about security interests, nonpayment, default, any required repayment in full before the scheduled date, and prepayment refunds and penalties.

ASSUMPTION. Someone buying your Manufactured Home, and the real property upon which the Manufactured Home is or will be located may, subject to conditions, be allowed to assume the remainder of this Note on the original terms.

PROMISE TO PAY: You promise to pay us the principal amount of \$ 64,545.26 (the "Principal") plus interest. Interest will be calculated at the rate of 9.000 % per annum on a 360/360 simple interest basis (the "Contract Rate") beginning on AUGUST 10, 1998. The term "360/360 simple interest basis" means that we calculate interest charges as if each month of the year has thirty (30) days. You promise to pay interest at the Contract Rate until the balance due on the Note is paid in full.

You promise to pay principal and interest by paying to us monthly payments in the number and amounts of payments shown in Your Payment Schedule. Your first payment will be due on the first date shown in Your Payment Schedule, and subsequent payments will be due on the same day of each month after that. You will make these payments every month until you have paid the principal and interest and any other charges that you may owe under this Note. Each monthly payment will be applied as of its scheduled due date. Unless we agree differently, in writing, or are otherwise required by applicable law, payments will be applied first to accrued unpaid interest, then to principal, next to unpaid advances we make on your behalf, and last to any unpaid collection costs and late charges. If on AUGUST 10, 2028 you still owe amounts under this Note, you will pay those amounts in full on that date (the "Maturity Date"). You will make all payments to:

United Companies Funding, Inc., P.O. Box 215, Memphis, Tennessee 38101-0215 or any other address to which we later tell you (in writing) to send your payments.

LATE CHARGE; DISHONORED CHECK CHARGE. Each time you fail to make a payment in full within 15 days after it is due, you will pay a late charge of five percent (5%) of the unpaid amount of the payment, or five dollars (\$5.00), whichever amount is less. Only one late charge may be collected on any installment no matter how long it remains in default. You will pay a processing fee of \$15.00 if any check given by you to us as a payment on this Note is dishonored.

YOUR RIGHT TO PREPAY; YOUR RIGHT TO REFUNDS AND CREDITS. YOU MAY PREPAY ANY AMOUNTS DUE UNDER THIS NOTE AT ANY TIME WITHOUT PENALTY.

Unless we agree differently, in writing, extra or early payments will not change your obligation to continue to make payments as required under the Promise to Pay, but may reduce the principal balance due and may result in fewer payments. If you (1) prepay this Note in full, or (2) if you default and fail to cure your default and we demand payment of the entire balance due on this Note, no portion of any Prepaid Finance Charge will be rebated.

OUR SECURITY INTEREST. To secure payment of all sums due or which become due under this Note, you grant us a security interest in (1) Your Manufactured Home (described on page one of this Note) and (2) in the real property described in the Mortgage. This security interest also covers proceeds of the Manufactured Home, and all accessions, attachments, accessories, replacements and additions to it, whether added now or later. The proceeds and returns of insurance premiums, if any, as described below, and sums due from a third party who has damaged or destroyed the Collateral, will not have a nonpurchase money security interest in household goods, to the extent such a security interest would be prohibited by applicable law. Our security interest shall remain in effect until you have paid the balance in full on this Note or any written modifications of it. If you default and fail to cure your default (see Events of Default and Your Right to Notice of Default; Your Right to Cure Your Default sections of this Note), our security interest gives us the right to repossess the Collateral and resell it (see Our Right to Repossess section of this Note).

You agree to keep the Collateral in good condition and repair. If the Collateral is damaged, lost or stolen, you will tell us immediately. You will provide us with proof, when we ask for it, that (1) you have the required insurance, (2) all taxes assessed against the Home have been paid, (3) all park or lot rent (and any other related charges) due has been paid, (4) our lien is the only lien against the Home, and (5) the Home is in good repair. If you fail to pay for required insurance, if you fail to pay park or lot rent (and any other related charges), if you fail to satisfy taxes, assessments, or other liens or encumbrances against the Manufactured Home, if you fail to keep the Home in good repair, or if you fail to make any other payments required by this Note or applicable law, we may (but are not required to) make any such repairs or payments we choose. Any and all of such payments made by us, and interest, you agree to pay a Finance Charge on these amounts at the Contract Rate. At our sole option, we may (1) demand that you repay these amounts to the final installment due on this Note, or (2) add these amounts to your regularly scheduled payments, or (3) add these amounts as additional installments due, or (4) add these amounts to the final installment due on this Note.

You also grant us a security interest in any insurance proceeds, including unearned premiums, relating to persons or property insured in connection with this Note. We may, if we want, use any insurance proceeds to reduce any unpaid balance on this Note. You authorize any insurer to pay us directly. If you default, we may, if we want, cancel all insurance and credit any refunded or unearned insurance premiums to the unpaid balance due on this Note to the extent permitted by law.

You will assist us in having our security interest noted on any Certificate of Title to the Manufactured Home. You will cause any such certificate to be delivered to us within 10 days from the later of the date of this Note or the date the certificate is issued. You authorize us, at your expense, to sign and file, without your signature, such financing and continuation statements, amendments, and supplements thereto, and other documents which we may from time to time deem necessary to perfect, preserve, and protect our security interest in the Collateral.

If any other documents are necessary for us to get and keep in force our security interest, and any release fees, after this Note is paid in full, you will assist us in having our security interest noted on any Certificate of Title to the Manufactured Home. You will cause any such certificate to be delivered to us within 10 days from the later of the date of this Note or the date the certificate is issued. You authorize us, at your expense, to sign and file, without your signature, such financing and continuation statements, amendments, and supplements thereto, and other documents which we may from time to time deem necessary to perfect, preserve, and protect our security interest in the Collateral.

EVENTS OF DEFAULT. You will be in default under this Note if: (1) you do not pay any payment on time; or (2) you break any of the promises you made in this Note or in the Mortgage; or (3) you have made any false or misleading statements on this Note or in your application for the credit extended by this Note; or (4) you fail to keep the Manufactured Home in good condition or repair; or (5) any of the Collateral is lost or damaged without adequate insurance coverage; or (6) you fail to maintain the insurance coverage required by this Note; or (7) you use any of the Collateral as security for another contract or you sell or transfer any of the Collateral without getting our permission in writing first; or (8) you die or become legally unable to manage your affairs; or (9) obligation of yours; or (10) another creditor puts a lien or other encumbrance against or causes to be seized or makes a claim on the Manufactured Home or any other property purchased under this Note; or (11) you move the Manufactured Home from the address specified in Your Manufactured Home section of this Note without getting our permission in writing first; or (12) you use the Manufactured Home in any illegal manner; or (13) the Manufactured Home with your ownership of the Manufactured Home or with the lot or site where the Manufactured Home is located; or (14) you use the Manufactured Home for business or you rent it without getting our permission in writing first; or (15) something else happens that we reasonably feel affects your ability to pay the unpaid balance due on this Note or affects the validity or enforceability of our security interest in any of the Collateral.

YOUR RIGHT TO NOTICE OF DEFAULT; YOUR RIGHT TO CURE YOUR DEFAULT; OUR RIGHT TO DEMAND PAYMENT IN FULL. If you are in default on this Note, (see Events of Default section of this Note), we will give you the written Notice of Default required by law and tell you what you must do to cure your default (the "Notice of Default"). If we send you a Notice of Default, and you do not cure your default in the manner and within the time period described in the Notice, or if you default and we do not have to give you a Notice of Default, we then have the right to declare immediately due and owing the entire balance due on this Note. To the extent permitted by law, you waive presentment, demand for payment, protest, notice of dishonor, and notice of acceleration.

OUR RIGHT TO REPOSSESS; YOUR RIGHT TO GET BACK YOUR HOME. At our option, to the extent permitted by law, we may elect to treat the Manufactured Home and other items of the Collateral as personal property (the "Personal Property Collateral"). We may repossess the Personal Property Collateral if: (1) you are in default; and (2) you do not use any right to cure your default that you may have; and (3) we declare immediately payable in full the entire balance due on the Note; and (4) we send you any Notice of Acceleration required by law; and (5) within the time stated in the Notice of Acceleration, you (a) fail to pay us the entire balance due on the Note, and (b) fail to cure any other events of default which we have specified. If we repossess, we also may take possession of any other property anywhere in or attached to the Personal Property Collateral. We agree promptly to return all such property to you upon your request. We may hold the property for you at your risk without liability on our part. If we take possession of such property, we will notify you in writing. If you do not then promptly claim and take possession of this property, we have your permission to dispose of it in a reasonable manner. You will pay any reasonable charges for storing or shipping such property which we may incur.

After we repossess, we shall sell the Personal Property Collateral. We shall give you written notice before any sale. The notice shall be sent to the address which is listed in the Mailing Address section of this Note or to any other address which you later give us in writing.

Before the sale you still may get back the Personal Property Collateral which we have repossessed if you pay us all amounts which are due on the Note, including our repossession expenses. We will apply the proceeds of any repossession sale (1) first, to our repossession expenses, including any court costs and reasonable attorneys' fees, then (2) to our costs of repairing, storing, and reselling the Manufactured Home, and then (3) to the balance still due on this Note. If there is any surplus money from the repossession sale, it will be refunded to you. If there is still a balance due us, you must pay it to us.

OUR RIGHT TO ATTORNEYS' FEES. If we hire an attorney to collect any balance due on this Note, or to enforce or defend our security interest, you will pay our court costs, our disbursements, and our reasonable attorneys' fees to the extent permitted by law.

CHANGES TO THIS NOTE. This Note, the Mortgage and the Construction Loan Agreement, if any, state the entire agreement between us and you. We have no other agreements, written or oral, with you. Our rights under this Note and the Mortgage are cumulative. We can waive or delay enforcing any of our rights under this Note or the Mortgage without losing any of them. Any waiver by us of our rights under this Note is enforceable by you only if the waiver is in writing and signed by us. If more than one Borrower signs the Note, we can waive or delay enforcing any right as to any Borrower(s) without waiving it as to the other(s). Our failure to file our security interest, failure to keep insured the Collateral, release of our lien, or granting extensions of time of payment shall not affect your obligation to make any payments or keep any other promise under this Note. We do not have to give anyone notice of any waiver, delay, modification, or release. This Note cannot be changed orally.

LAW THAT APPLIES TO THIS NOTE. This Note shall be governed by the applicable laws and regulations of the United States and of the State of Minnesota. The Manufactured Home financed by the terms of this Note is personal property and shall not be deemed to be a fixture or real property regardless of how the Manufactured Home is permanently placed or affixed. If a court decides that any part of the Note is not valid, the rest of the Note still will be binding and effective.

NOTICE TO THE BORROWER

DO NOT SIGN THIS NOTE BEFORE YOU READ IT OR IF IT CONTAINS ANY BLANK SPACES. YOU ARE ENTITLED TO A COPY OF THE DOCUMENT YOU SIGN. UNDER THE LAW, YOU HAVE THE RIGHT TO PAY OFF IN ADVANCE THE FULL AMOUNT DUE. KEEP THIS DOCUMENT TO PROTECT YOUR LEGAL RIGHTS.

GUARANTEE OF BORROWER'S PROMISES. The undersigned, separately and together, agree(s) to pay all amounts due on this Note as of today's date and until all amounts due on this Note are paid in full. The undersigned also agree(s) to all the terms and conditions of this Note.

You acknowledge that on JUNE 2, 1998 you read, signed, and received a completely filled in copy of this PROMISSORY NOTE AND SECURITY AGREEMENT.

On JUNE 2, 1998 I (we) read, signed, and received a completely filled in copy of this PROMISSORY NOTE AND SECURITY AGREEMENT.

Borrower *Kay Kezar*
KAY KEZAR

Borrower _____

Cosigner: X _____

Borrower _____

Cosigner: X _____

Borrower _____

Pay to the order of Banker's Trust Company of California, N.A. as custodian or trustee under the applicable custodial or trust agreement, with our recourse.
UNITED COMMERCIAL BANKING, INC.
BY: *Brandi Rayb...*
Name: Brandi Rayb...
Title: Assistant Secretary

This Rider is incorporated into and shall be deemed to amend and supplement the Promissory Note and Security Agreement ("Note"), of the same date, given by the undersigned Borrower ("you" and "your") to evidence your indebtedness (the "Loan") to United Companies Funding, Inc. ("we", "us", or "our"). The Loan also is secured by the Mortgage, Open-end Mortgage, Deed of Trust, Credit Line Deed of Trust or Trust Indenture ("Security Instrument"), each with the same date as this Rider, covering the Property described in the Security Instrument. If the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association buys all or some of our rights under the Security Instrument and Note, the promises and agreements in this Rider will no longer have any force or effect. You hereby agree to the following:

1. CONSTRUCTION/PERMANENT LOAN

This Note, as amended, represents both a construction/home improvement loan and a permanent mortgage loan. During the Construction Period of the Loan, we will advance funds in accordance with the Construction Loan Agreement. The "Construction Period" is defined as the period extending from the date of our initial advance of funds until the Completion Date specified in the Construction Loan Agreement of the same date (the "Construction Loan Agreement"). On the day the Construction Period ends, the Loan will be a permanent mortgage loan ("Permanent Mortgage Loan Date"). Beginning on the Permanent Mortgage Loan Date, interest shall accrue as stated in the Note and monthly payments of principal and interest shall be due and payable as set forth in the Note.

2. INTEREST

(A) Interest During the Construction Period

You will not pay interest on the amount(s) advanced during the "Construction Period" of the Loan. Regular payments of principal and interest shall begin as of the date stated in the Note.

(B) Interest Paid on the Permanent Loan

Beginning at the end of the Construction Period, you will pay interest at the Contract Rate stated in the Note. Principal and interest payments will also be due and payable as set forth in the Note.

3. COMPLETION OF CONSTRUCTION PERIOD

In the event that the construction of the Improvements has not been substantially completed during the Construction Period, we may, at our option (and after we provide you any notices required by law), require immediate payment of all funds secured by the Security Instrument. Any portion of a payment we receive in excess of the interest due or any funds we do not advance under the Construction Loan Agreement may, at our option, be used to pay costs associated with the Construction Period or may be credited as a prepayment of the principal amount of the Loan.

4. EVENTS OF DEFAULT AND ACCELERATION OF THE DEBT

Subject to your right to Notice of Default and right to cure the default(s), we may declare the entire unpaid principal balance due and payable under the terms of the Note, as amended by this Rider, if you should default under any covenant, condition or agreement contained in the Loan Documents. The term "Loan Documents" includes the Note, as amended by this Rider, the Security Instrument securing the Note, as amended, and the Construction Loan Agreement.

5. PERMANENT AFFIXATION OF THE MANUFACTURED HOME

The section of the Note called "Your Manufactured Home" is amended to read as follows:

Your Manufactured Home. This Note is secured by your Manufactured Home (see Our Security Interest section of this Note). From the time immediately prior to the third (3rd) advance under the terms of the Construction Loan Agreement until the time that this Note is paid in full, you promise that the Manufactured Home will be permanently affixed to the real property described in the Mortgage.

6. CONDITIONS

At least ten (10) days before the Permanent Mortgage Loan Date, you must give us notice that construction has been completed. You must also provide all the following documents to us not later than the Permanent Mortgage Loan Date:

- a. A Title Endorsement deleting any "pending disbursements" or mechanic's liens exception from the original Mortgagee Title Policy. The Mortgagee Title Policy must contain a Manufactured Housing Endorsement.
- b. A satisfactory "as built" survey, if required by us.
- c. A Certificate of Occupancy.
- d. A final appraisal acceptable to us.
- e. A fire and extended coverage homeowner's insurance policy.
- f. If the property is located in a special flood hazard area, evidence of flood insurance.
- g. A satisfactory Affidavit of Completion executed by you as owner.
- h. A satisfactory affidavit regarding resolution of mechanic's and materialman's lien claims signed as of the Completion Date.
- i. If the Property is served by a well or septic system, a reasonably current inspection report or certification that is issued by the applicable government unit and which is acceptable to us.
- j. A Modification Agreement signed by you that modifies the terms of the Loan, if applicable.

7. CONFLICTS

If a court determines that any term or provision of this Rider is in conflict with any term or provision of the Note, the term or provision of this Rider will control. This Rider shall be interpreted under the applicable laws of the United States and the laws of Minnesota. If a court determines that any part of this Rider is not valid, the rest of the Rider will still be binding and effective. Our remedies and rights as expressed in this Rider are cumulative of, and not exclusive of, any of our other remedies and rights. Except as amended or supplemented by this Rider, the terms and provisions of the Note remain unchanged and in full force and effect.

8. TERMINATION

After we advance the funds necessary to complete the improvements and you satisfy all conditions set forth in the Construction Loan Agreement, this Rider will be null and void and no longer in effect, and any funds which have not yet been advanced will, at our option, be refunded to you or credited as a prepayment to the principal balance under the Note.

9. NOTICE OF NO ORAL AGREEMENT

THE NOTE, THIS RIDER, THE CONSTRUCTION LOAN AGREEMENT, AND THE SECURITY INSTRUMENT, AS AMENDED, REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

BY SIGNING BELOW, you accept and agree to the terms and covenants contained in this Rider.

EXECUTED this 2nd day of JUNE, 1998.

[Signature] (SEAL)
Borrower

KAY KEZAR
Printed Name

Borrower (SEAL)

Printed Name

Borrower (SEAL)

Printed Name

Borrower (SEAL)

Printed Name

This Contract has been assigned to Chase Manhattan Bank, Trustee, or a separate Trustee, or to any successor Trustee, of Manufactured Housing Contract Senior/Subordinated Pass-Through Certificates Series 99-18, of 5-27-98, the related Transfer Date.

MODIFICATION AGREEMENT
(Construction Phase Modified)

THIS MODIFICATION AGREEMENT, made on SEPTEMBER 14, 1998, modifies the Promissory Note, Security Agreement and Truth in Lending Disclosure Statement with Construction Loan Rider (the "Agreement"), the Security Instrument and the Construction Loan Agreement each dated JUNE 2, 1998 (collectively the "Loan Documents"), previously executed by the undersigned (the "Borrower") in favor of UNITED COMPANIES FUNDING, INC. (the "Lender"). The Loan Documents evidence a construction loan (the "Loan") which has both a construction loan phase (the "Construction Loan Phase") and a permanent loan phase (the "Permanent Mortgage Phase").

This Modification Agreement modifies the Loan Documents to change the date when the Construction Loan Phase ends and the Permanent Loan Phase (the "Completion Date") and the date when Borrower will commence paying monthly payments of principal and interest.

In consideration of the mutual promises and agreements exchanged, with the intent to be legally bound, Borrower and Lender agree as follows:

1. **CONSTRUCTION LOAN PHASE.** The Completion Date of the Construction Loan Phase of the Loan is changed from AUGUST 2, 1998 to Sept 10, 1998.
2. **PERMANENT LOAN PHASE.**
 - A. Borrower will continue to pay interest at the Note Rate contained in the Agreement.
 - B. The principal amount of the Loan will be repaid over a 360 month period. The Agreement is modified so that Borrower will make monthly payments of principal and interest beginning on: OCTOBER 10, 1998, and every month thereafter.
3. **OTHER TERMS UNCHANGED.** Except as provided in this Modification Agreement, the terms of the Agreement, the Security Instrument and the Construction Loan Agreement remain unchanged.

UNITED COMPANIES FUNDING, INC. (LENDER)

BY: [Signature]
KAY KEZAR -BORROWER

9-17-98
Date

-BORROWER

Date

-BORROWER

Date

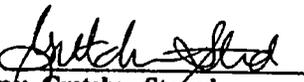
-BORROWER

Date

This Allonge is affixed to the Promissory Note dated June 2, 1998 made by KEZAR, KAY Account # 152200003470 in the original amount of \$66,574.32 and is incorporated into and made a part hereof for the purpose of providing additional space for endorsements.

Pay to the order of VANDERBILT MORTGAGE
AND FINANCE, INC. without recourse.

UNITED COMPANIES FUNDING, INC.

By: 
Name: Gretchen Stroud
Title: Assistant Secretary

1448 #2990

220710 Filed for record the 3rd day of June, 1998 at 1 P.M. and duly recorded in Book 426 on Pages 699-706.
Beate M. Fugleberg c/o
County Recorder, Roseau County, Minnesota

Loan No. 15220003470
RECORDATION REQUESTED BY:

United Companies Funding, Inc.
2051 Killebrew Drive, Suite 210
Bloomington, MN 55425

WHEN RECORDED MAIL TO:

United Companies Funding, Inc.
2051 Killebrew Drive, Suite 210
Bloomington, MN 55425

SEND TAX NOTICES TO:

United Companies Funding, Inc.
2051 Killebrew Drive, Suite 210
Bloomington, MN 55425

Registration Tax portion of \$ 153¹⁸
paid this 3rd day of June 1998
\$33906 Beate M. Fugleberg
County Treasurer
Countersigned and payment recorded.
Anne K. Hranitz
by Jai Foldesi County Auditor

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on JUNE 2, 1998. The mortgagor is KAY KEZAR, an unmarried person, an unmarried person ("Borrower"). This Security Instrument is given to United Companies Funding, Inc., which is organized and existing under the laws of the State of Louisiana and whose address is 2051 Killebrew Drive, Suite 210, Bloomington, MN 55425 ("Lender"). Borrower owes Lender the principal sum of Sixty Six Thousand Five Hundred Seventy Four and 32/100 Dollars (U.S. \$ 66,574.32). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on AUGUST 10, 2028 and for interest at the yearly rate of 9.000 percent. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following described property located in ROSEAU County, Minnesota:

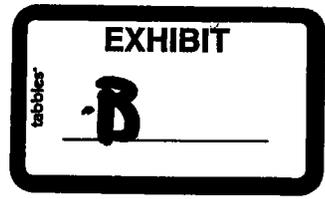
See Exhibit Attached

which has the address of RR 2, ROSEAU, Minnesota ("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 COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is 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 and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may 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 such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may 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. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may 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, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

5. **Hazard or 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 floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. 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, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument 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. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with 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.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, 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 approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the 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 condemnor offers to make an award or 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 proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

11. 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 any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument 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 under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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 delivered or mailed 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.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) 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; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the 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 paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may 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 in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

**FNMA/FHLMC MORTGAGE
(Continued)**

Loan No. 152200003470

Page 5 of 6

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

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

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. 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 paragraph 17 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 paragraph 21, including, but not limited to, reasonable attorneys' fees.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall discharge this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

24. Interest on Advances. The interest rate on advances made by Lender under paragraph 7 shall not exceed the maximum rate allowed by applicable law.

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

- | | | |
|---|--|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input checked="" type="checkbox"/> Manufactured Home Rider | <input checked="" type="checkbox"/> Construction Loan Rider | <input checked="" type="checkbox"/> Affixation Affidavit of Manufactured Housing Unit |
| <input type="checkbox"/> Other(s) (specify) | <input checked="" type="checkbox"/> Affidavit of Manufactured Housing Unit | |

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

Witnesses:


Borrower: **KAY KEZAR**

Borrower

This Mortgage was drafted by:

United Companies Funding, Inc.
2051 Killebrew Drive, Suite 210
Bloomington, MN 55425

INDIVIDUAL ACKNOWLEDGMENT

STATE OF MINNESOTA)
)
COUNTY OF ROSEAU)ss
)

On this day before me, the undersigned Notary Public, personally appeared KAY KEZAR, AN UNMARRIED PERSON
to me known to be the individual described in and who executed the Mortgage, and acknowledged that he or she signed the Mortgage as
his or her free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 2nd day of JUNE, 19 98.

By *[Signature]*

Notary Public in and for the State of Minnesota
SCOTT A. VATNSDAL
Notary Public—Minnesota
My Comm. Expires Jan. 31, 2000

Legal Description

The South 550 Feet of the East 610 Feet of Government Lot One (1), Section Four (4) Township One Hundred Sixty-one (161) North, Range Thirty-nine (39) West of the Fifth Principal, Meridian in Minnesota, according to the United States Government Survey thereof, Roseau County, Minnesota.

Together with the following described manufactured home:

YEAR	MAKE/MODEL	SERIAL #	LENGTH X WIDTH
1998	Skyline/Lexington	2T300945KAB	28x56

which has been affixed to the real estate described herein with the mortgagor's intent that it become part of the real estate hereby and subject to the lien of this mortgage.

TO BE RECORDED WITH THE MORTGAGE

LENDER: UNITED COMPANIES FUNDING, INC.

BORROWER: KAY KEZAR

PROPERTY: RR 2, ROSEAU, MINNESOTA 56751-

CONSTRUCTION LOAN RIDER (INCLUDING SECURITY AGREEMENT)
TO THE MORTGAGE (MANUFACTURED HOUSING UNITS)

THIS CONSTRUCTION LOAN RIDER (the "Rider") shall be deemed to amend and supplement the Mortgage, Deed of Trust, and any and all riders or amendments thereto (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Promissory Note and Security Agreement to Lender of the same date ("Note") and covering the Property described in the Security Instrument ("Property"). If the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association buys all or some of the Lender's rights under the Security Instrument and Note, the provisions and agreements in this Rider will no longer have any force and effect.

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

1. **Construction Loan Agreement.** The principal amount of the Note which Borrower promises to pay is either: (1) the amount stated in the Promise to Pay Section of the Note, or if less, (2) the aggregate amount advanced by the Lender under the Construction Loan Agreement ("Loan Agreement"). The loan to be evidenced by the Note shall be disbursed in accordance with the terms and conditions of the Loan Agreement. Borrower agrees to comply with the covenants and conditions of the Loan Agreement between Borrower and Lender, which is incorporated herein by this reference and made a part of the Security Instrument. All loan amounts disbursed to Borrower under the Loan Agreement shall be evidenced by the Note. The Loan Agreement provides for the construction of certain Improvements ("Improvements") on the Property. All advances made by Lender pursuant to the Loan Agreement shall be an indebtedness of Borrower secured by the Security Instrument as amended, and such advances are obligatory under the terms of the Loan Agreement. The Security Instrument secures the payment of all sums and the performance of all covenants required by the Lender in the Loan Agreement, the Security Instrument, or the Note ("Loan Documents"). The Collateral described in the Note also shall also secure to Lender those items described on page 1 of the Security Instrument. Upon the failure of Borrower to keep and perform all the covenants, conditions and agreements of the Loan Agreement, the principal sum and all interest and other charges provided for in the Loan Documents and secured hereby shall, at the option of the Lender, become due and payable.
2. **Future Advances.** During the construction of the Improvements (the "Construction Period"), the Note will accrue interest on the outstanding principal balance at the Contract Rate set forth in the Note. In the event there has been no default as defined in the Note or Loan Agreement, or the Security Instrument, Lender is legally obligated to make advances of principal upon application therefore by the Borrower in accordance with the provisions of the Note and Loan Agreement up to a maximum principal amount, which is equal to the amount of the Note as set forth in the Security Instrument, plus interest and amounts to protect security. Such advances shall be evidenced by the Note and Loan Agreement and secured by the Security Instrument.
3. **Assignment of Rights or Claims.** From time to time as Lender deems necessary to protect Lender's interest, Borrower shall, upon request of Lender, execute, acknowledge before a notary, and deliver to Lender, assignments of any and all rights or claims which relate to the construction on the Property.
4. **Breach by Borrower.** In case of breach by Borrower of the covenants and conditions of the Loan Agreement, subject to any right of Borrower to cure his or her default, Lender, at Lender's option, with or without entry upon the Property, (a) may invoke any of the rights or remedies provided in the Loan Agreement, or (b) may accelerate the sums secured by the Security Instrument and invoke any of those remedies provided for in the Security Instrument, or (c) may do both although failure to exercise any of its rights and remedies at any one time does not mean a waiver.
5. **Termination of Loan Agreement.** During the Construction Period of the loan the Note Holder will advance funds in accordance with the Construction Loan Agreement. The "Construction Period" is defined as the period extending from the date of Note Holder's initial advance of funds until the first day of the month preceding the due date of the first monthly payment of principal and interest stated in the Note. On the day the Construction Period ends, the loan evidenced by this Note will be a permanent mortgage loan ("Permanent Mortgage Loan Date"). Beginning on the Permanent Mortgage Loan Date, interest shall accrue as stated in the Note and monthly payments of principal and interest shall be due and payable as set forth in the Note. After the commencement of amortization of the Note, the terms of the Loan Agreement shall be null and void, and there shall be no claim or defense arising out of or in connection with the Loan Agreement against the obligations of the Note and the Security Instrument.
6. **Property.** The property covered by the Security Instrument includes the Property described or referred to in the Security Instrument, together with the following, all of which are referred to as the "Property." The portion of the Property (described below) which constitutes real property is sometimes referred to as the "Real Property." The portion of the Property which constitutes personal property (including, but not limited to the Personal Property Collateral described in the Note) is sometimes referred to as the "Personal Property," listed as follows:

The Manufactured Home:

Make: SKYLINE
Model: LEXINGTON
Year: 1998
Serial Number: 2T30094SKAB
Width & Length: 28 x 56

The Manufactured Home includes the additional Appliances, Accessories and Furnishings:

Table with 2 columns: -Item- and -Serial Number-. The table contains several empty rows for listing items.

The Security Instrument also covers proceeds of the Manufactured Home, and all accessions, attachments, accessories, replacements and additions to it, whether added now or later. After the Manufactured Home is permanently affixed to the Real Property, it shall be Real Property, and no longer Personal Property.

Despite any other provision of this Rider or any other Loan Document, however, Lender is not granted, and will not have, a nonpurchase money security interest in household goods, to the extent that such a security interest would be prohibited by applicable law.

7. Security Agreement and Financing Statement. The Security Instrument shall be a security agreement granting Lender a first and prior security interest in all of Borrower's right, title and interest in, to and under the Personal Property, under and within the meaning of the applicable State laws, as well as a document granting a lien upon and against the Real Property. In the event of any foreclosure sale, whether made by Trustee or a substitute trustee, or under judgment of a court, all of the Real and Personal Property may, at the option of Lender, be sold as a whole or any part thereof. It shall not be necessary to have present at the place of such sale the Personal Property or any part thereof. Lender, as well as Trustee or any substitute trustee on Lender's behalf, shall have all the rights, remedies and recourse with respect to the Personal Property afforded to a "Secured Party" by the applicable State laws in addition to and not in limitation of the other rights and recourse afforded Lender and/or Trustee or any substitute trustee under the Security Instrument. Borrower shall, upon demand, pay to Lender the amount of any and all expenses, including the fees and disbursements of Lender's legal counsel and of any expert and agents which Lender may incur in connection with: (i) the making and/or administration of the Security Instrument; (ii) the custody, preservation, use or operation of, or the sale of, collection from, or other realization upon any property, real and/or personal, described in the Security Instrument; (iii) the exercise or enforcement of any of the rights of Lender under the Security Instrument; or (iv) the failure by Borrower to perform or observe any of the provisions or covenants in the Security Instrument.

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

Borrower also authorizes Lender to sign and file, without Borrower's signature, such financing and continuation statements, amendments, and supplements thereto, and other documents which Lender may from time to time deem necessary to perfect, preserve and protect Lender's security interest in the Property. If any other documents are necessary to protect Lender's interest in the Property, Borrower agrees to sign these documents whenever Lender asks. Borrower also gives Lender permission to sign these documents for Borrower.

8. Invalid Provisions. If any provision of the Security Instrument is declared invalid, illegal, or unenforceable by a court of competent jurisdiction, then such invalid, illegal or unenforceable provision shall be severed from the Security Instrument and the remainder enforced as if such invalid, illegal or unenforceable provision is not a part of the Security Instrument.

9. Addresses.

The name and address of the Borrower is:

KAY KEZAR
1010 HWY 11 LOT 5
BADGER, MN 56714-

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

UNITED COMPANIES FUNDING, INC.
2051 KILLEBREW DRIVE, SUITE 210
BLOOMINGTON, MINNESOTA 55425

10. Relation to Loan Agreement. The Security Instrument is subject to all of the applicable terms and conditions contained in the Loan Agreement. The Loan Agreement is to be filed in the County Clerk's Office in the County where the Property is located at the same time the Security Instrument is recorded. If Borrower fails to keep any of the promises Borrower makes in the Loan Agreement, Lender may require that the entire balance of Borrower's debt to Lender be paid immediately.

11. Paragraph 6 of the Security Instrument.

The first sentence of Paragraph 6 of the Security Instrument is hereby modified to read as follows:

Borrower shall occupy, establish, and use the Property as Borrower's principal residence within 60 days after the end of the Construction Period 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.

All other provisions in Paragraph 6 of the Security Instrument remain unchanged.

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

EXECUTED this 2nd day of JUNE, 1998

Kay Kezar (SEAL)
Borrower

KAY KEZAR
Printed Name

[Signature]
Witness

Borrower (SEAL)

Printed Name

Witness

Borrower (SEAL)

Printed Name

Borrower (SEAL)

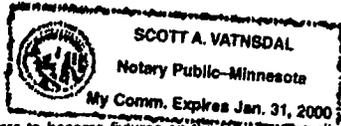
Printed Name

Loan No. 15220003470

STATE OF MINNESOTA)
) ss:
COUNTY OF ROSEAU)

On this 2nd day of JUNE, 1998, before me the subscriber personally appeared KAY NEGAR (and) to me known and known to me to be the same person(s) described in and who executed the foregoing instrument, and (s)he/they duly (jointly and severally) acknowledged to me that (s)he/they executed the same.

Scott A. Vatnsdal
Notary Public; State of Minnesota
Qualified in the County of ROSEAU
My commission expires: 1-31-2000



ATTENTION COUNTY CLERK. This instrument covers goods that are or are to become fixtures on the Property described herein and is to be filed for record in the records where Security Instruments on real estate are recorded. Additionally, this instrument should be appropriately indexed, not only as Security Instruments but as a financing statement covering goods that are or are to become fixtures on the Property described herein. The mailing address of the Borrower (Debtor) and Lender (Secured Party) are set forth in this instrument.

Loan No. 152200003470

UNITED COMPANIES FUNDING, INC.

Manufactured Home Rider to Mortgage

- 1 **Meaning of Some Words.** As used in this Rider, the term "Security Instrument" means the Mortgage or Deed of Trust which is dated with the same date as this Rider. As used in this Rider and in the Security Instrument, the term "Note" means the Promissory Note and Security Agreement which is dated with the same date as the Security Instrument. As used in this Rider, the term "Lender" means UNITED COMPANIES FUNDING, INC. and any subsequent holder of the Note and the Security Instrument. As used in this Rider, the term "Borrower" means anyone signing the Note or the Security Instrument as a Borrower. As used in this Rider and in the Security Instrument, the term "Property" includes the Manufactured Home, as that term is defined in the Note.
- 2 **Purpose and Effect of Rider.** Lender requires Borrower to agree to the provisions that are contained in this Rider as a condition of Lender making a loan to Borrower. IF THERE IS A CONFLICT BETWEEN THE PROVISIONS IN THIS RIDER AND THOSE IN THE SECURITY INSTRUMENT OR THE NOTE, THE PROVISIONS IN THE RIDER WILL BE CONTROLLING; THOSE PROVISIONS IN THE SECURITY INSTRUMENT AND NOTE WILL BE ELIMINATED OR MODIFIED AS MUCH AS IS NECESSARY TO MAKE ALL OF THE CONFLICTING TERMS AGREE WITH THIS RIDER. If the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association or the Government National Mortgage Association, or any other federal or state governmental agency, buys all or some of the Lender's rights under the Note or the Security Instrument, the promises and agreements in this Rider will no longer have any force or effect.
- 3 **Application of Borrower's Payments.** BORROWER MAY PREPAY ANY AMOUNTS DUE UNDER THE NOTE OR THE SECURITY INSTRUMENT AT ANY TIME, WITHOUT PENALTY.
- 4 **Lender's Security Interest.** The Collateral described in the Note also shall secure to Lender those items described in the Security Instrument.
- 5 **Flood Insurance.** Borrower will keep the Manufactured Home and any other buildings on the Property insured against loss by flood if the Property is located in a special flood hazard area.
- 6 **Insurance Premiums.** Borrower will reimburse the Lender for any premiums paid by the Lender for hazard insurance (including comprehensive policies) or flood insurance because Borrower has failed to do so. Borrower also agrees that the premiums paid by the Lender will be secured by the Security Instrument.
- 7 **Lender's Option to Use Insurance Proceeds.** Borrower agrees that Lender will have the choice of either using any insurance proceeds to reduce the amount that Borrower owes to Lender under the Note and the Security Instrument or for replacing and/or repairing the Property.
- 8 **Hazard Insurance Co-Insurance.** The Hazard Insurance Borrower obtains will not contain a co-insurance clause, unless specifically authorized by Lender.
- 9 **Lender's Use of Condemnation Proceeds.** All proceeds of any condemnation of a part of the Property shall be used to reduce the amount Borrower owes to Lender.
- 10 **Additional Rights of Lender in Event of Foreclosure and Sale.** In addition to those rights granted in the Security Instrument, Lender shall have the following rights in the event Lender starts a lawsuit for foreclosure and sale of the Property.
 - a) To the extent allowed by applicable law, all reasonable sums paid by Lender in starting and carrying on the lawsuit for foreclosure and sale, including reasonable attorney's fees and all costs, together with interest on all of these sums at the Contract Rate stated in the Note, shall be paid by Borrower or added to the principal Borrower owes the Lender.
 - b) Lender, in any action to foreclose this Security Instrument shall be entitled to appointment of a receiver without any special notice to Borrower, and Lender shall have this right no matter what balance Borrower owes to Lender.

Loan No. 152200003470

- 11 **Additional Events of Default.** Borrower will be in default on the Note and the Security Instrument
 - a) if any structure on the Property shall be removed, demolished, or substantially altered;
 - b) if Borrower fails to comply with any requirement of federal, state or municipal authorities (the Lender, however, may comply and add the expense to the mortgage debt); or
 - c) if the Property becomes vacant or not owner occupied.
- 12 **Prior Notice and Opportunity to Correct Broken Promise.** Lender will give Borrower any prior notice and an opportunity to make up a missed payment or correct a broken promise as required by applicable law.

By signing below, Borrower agrees to the terms and covenants contained in this Rider.

EXECUTED this 2nd day of JUNE, 1998.

Kay Kezar (SEAL)
 Borrower

KAY KEZAR
 [Printed Name]

[Signature]
 Witness

 Borrower (SEAL)

 [Printed Name]

 Witness

 Borrower (SEAL)

 [Printed Name]

 Borrower (SEAL)

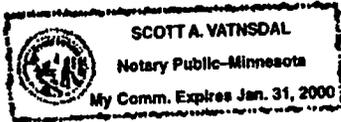
 [Printed Name]

STATE OF MINNESOTA)
) ss.:
 COUNTY OF ROSEAU)

On this 2nd day of JUNE, 1998, before me personally came

KAY KEZAR
 to me personally known and known to me to be the individual(s) described in and who executed the foregoing instrument and duly acknowledged that she executed the same.

[Signature]
 Notary Public:
 State of Minnesota
 Qualified in the County of Roseau
 My Commission expires: 1-31-2000



(Attach to Security Instrument)

**AFFIDAVIT REGARDING MANUFACTURED
(AND FACTORY BUILT) HOUSING UNIT**

THE STATE OF MINNESOTA)
COUNTY OF ROSEAU)

BEFORE ME, the undersigned authority, on this day personally appeared

KAY KEZAR, an unmarried person, an unmarried person

known to me to be the person(s) whose name(s) is/ are subscribed below, and who, being by me first duly sworn, did each on his or her oath state as follows:

- 1) The manufactured housing unit is or will be connected to a septic tank or sewage system and other utilities such as electricity, water and natural gas.
- 2) No other lien or financing effects said manufactured housing unit, other than those assigned or disclosed in writing to the Lender.
- 3) Said manufactured housing unit has been built under the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976.
- 4) The manufactured housing unit will be assessed and taxed as (check as appropriate): Personal Property
 Real Estate (Ad Valorem) Both. I/ We understand I/ we are responsible for the payment of such taxes.

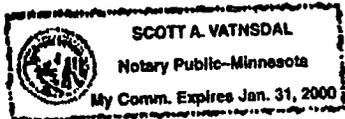
Borrower(s) certifies that Borrower(s) is in receipt of manufacturers recommended maintenance program regarding the carpet and manufactured warranties covering the heating/ cooling systems, hot water, range, etc.; and the formaldehyde health notice.

BORROWER(S):

Kay Kezar
KAY KEZAR _____

THE STATE OF MINNESOTA)
COUNTY OF ROSEAU)

The foregoing instrument was acknowledged before me this 2nd OF JUNE, 1998 by KAY KEZAR



[Signature]
Notary Public, State of Minnesota

(Attach to Security Instrument)

**AFFIXATION AFFIDAVIT REGARDING MANUFACTURED
(AND FACTORY BUILT) HOUSING UNIT**

THE STATE OF MINNESOTA)
)
 COUNTY OF ROSEAU)

BEFORE ME, the undersigned authority, on this day personally appeared

KAY KEZAR, an unmarried person, an unmarried person

known to me to be the person(s) whose name(s) is/ are subscribed below, and who, being by me first duly sworn, did each on his or her oath state as follows:

[Description of manufactured housing unit]

New/Used	Year	Manufacturer's Name	Model Name and Model No.	Manufacturer's Serial No.	Length	Width
New	1998	SKYLINE	LEXINGTON	2T300945KAB	56	28

- 1) The manufactured housing unit described above located at the above-referenced address is permanently affixed to a foundation and will assume the characteristic of site-built housing.
- 2) The wheels, axles, towbar or hitch were removed when said manufactured housing unit was placed on the permanent site.
- 3) All foundations, both perimeter and piers for said manufactured housing unit have footings that are located below the frost line.
- 4) If piers are used for said manufactured housing unit, they will be placed where said housing unit manufacturer recommends.
- 5) If state law so requires, anchors for said manufactured housing unit have been provided.
- 6) The manufactured housing unit is permanently connected to a septic tank or sewage system and other utilities such as electricity, water and natural gas.
- 7) No other lien or financing effects said manufacturing housing unit, other than those disclosed in writing to Lender.
- 8) Said manufactured housing unit has been built under the Federal Manufactured Home Construction and Safety Standards that were established June 15, 1976.
- 9) The foundation system of the manufactured housing unit has been designed by an engineer to meet the soil conditions of the site.
- 10) Borrower(s) acknowledges his or her intent that said manufactured housing unit will become immovable property and part of the real property securing the security instrument.
- 11) This Affidavit is executed by Borrower(s) pursuant to applicable law.

- 12) The manufactured housing unit will be assessed and taxed as an improvement to the real property. I/ We understand that if Lender does not escrow for these taxes that I/ we will be responsible for payment of such taxes.
- 13) If the land is being purchased, such purchase and said manufactured housing unit represent a single real estate transaction, under applicable state law.

Borrower(s) certifies that Borrower(s) is in receipt of manufacturers recommended maintenance program regarding the carpets and manufactured warranties covering the heating/cooling systems, hot water heater, range, etc.; and the formaldehyde health notice.

IN WITNESS WHEREOF, Borrower(s) has executed this Affidavit in my presence and in the presence of the undersigned witnesses on this 2nd day of JUNE, 1998.

WITNESSES:

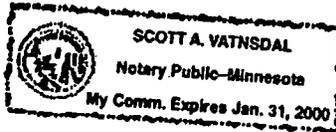
BORROWER(S)

Kay Mezar

 KAY MEZAR

Scott A. Vatnsdal

 Notary Public



223744

Filed for record the 15th day of March, 1999 at 10 A.M. and duly recorded in Book 435 on Page 57.
Bessie M. Fugleberg, County Recorder, Roseau County, Minnesota

By Pamela S. Hoard , Deputy

MINNESOTA

COUNTY OF ROSEAU
15220003470

ASSIGNMENT OF MORTGAGE BY CORPORATION

Know All Men by these Presents, That UNITED COMPANIES FUNDING, INC., a corporation duly organized and existing under the laws of the State of Louisiana having a mailing address of 4041 ESSEN LANE, BATON ROUGE, LA 70809, party of the first part, in consideration of the sum of Ten Dollars and no/100 (\$10.00) in hand paid by, VANDERBILT MORTGAGE AND FINANCE, INC., 500 ALCOA TRAIL MARYVILLE, TN. 37804, party(ies) of the second part, receipt whereof is hereby acknowledged, does hereby sell, assign, transfer, and set over, without recourse, to said party(ies) of the second part, its successors and assigns, that certain mortgage executed by KAY KEZAR, an unmarried person, an unmarried person as mortgagor(s) to UNITED COMPANIES FUNDING INC as mortgagee(s); bearing date JUNE 02, 1998 filed for record in the office of the [Registrar of Titles, if Torrens property County Recorder of the County of ROSEAU and State of Minnesota, as Document No. 220710, together with all right and interest in the land therein described, and in the note and obligations therein specified, and to the debt thereby secured; and hereby constitutes and appoints said party(ies) irrevocable to collect and receive said debt, and to foreclose, enforce, and satisfy said mortgage the same as it might or could have done were these presents not executed, but at the cost and expense of second party(ies), and does hereby covenant with said party(ies) of the second part, its successors and assigns and that it has good right to sell, assign, and transfer the same. *Book 426 Page 699.

In Testimony Whereof, The said first party has caused these presents to be executed in its corporate name by its Vice-President and its corporate seal to be hereunto affixed this 12th day of FEBRUARY, 1999. To be effective 16th day of FEBRUARY, 1999.

UNITED COMPANIES FUNDING, INC.

BY: Robin P. Campbell
Name: ROBIN P. CAMPBELL
Title: Vice-President

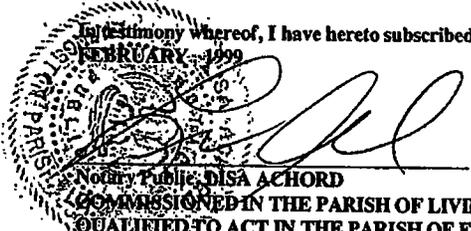


STATE OF LOUISIANA

PARISH OF EAST BATON ROUGE

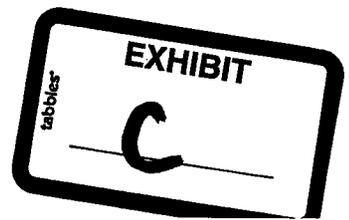
Subscribed and sworn to before me, a Notary Public in and for said Parish and State, personally appeared the above named UNITED COMPANIES FUNDING, INC., by ROBIN P. CAMPBELL, its Vice-President, who acknowledged that he/she did sign the foregoing instrument and that the same is the free act and deed of said corporation, his/her free act and deed personally and as such officer.

In testimony whereof, I have hereto subscribed my name and affixed my notarial seal on this the 12th day of FEBRUARY, 1999



Notary Public: DINA ACHORD
COMMISSIONED IN THE PARISH OF LIVINGSTON
QUALIFIED TO ACT IN THE PARISH OF EAST BATON ROUGE
STATE OF LOUISIANA

MY COMMISSION EXPIRES AT DEATH
(affix notarial seal)
Prepared by:
SHARON REESE
VANDERBILT MORTGAGE AND FINANCE, INC.
P.O. BOX 9800
MARYVILLE, TN 37802



LEGAL: THE SOUTH 550 FEET OF THE EAST 610 FEET OF GOVERNMENT LOT ONE (1), SECTION 4 FOUR (4) TOWNSHIP ONE HUNDRED SIXTY-ONE (161) NORTH, RANGE THIRTY-NINE (39) WEST OF THE FIFTH PRINCIPAL, MERIDIAN IN MINNESOTA, ACCORDING TO THE UNITED STATES GOVERNMENT SURVEY THEREOF, ROSEAU COUNTY, MINNESOTA.

UNITED STATES BANKRUPTCY COURT
DISTRICT OF MINNESOTA

In re:

Chapter 7
Case No. 04-60963 DDO

Kay Lynn Skjerven,

Debtor.

ORDER FOR RELIEF
FROM STAY

The above-entitled matter came before the Court for hearing on the motion of Vanderbilt Mortgage & Finance, Inc., ("Movant") seeking relief from the automatic stay of 11 U.S.C. 362(a) of the Bankruptcy Code. Appearances were noted in the Court's record. Based upon the proceedings had on said date, the statements of counsel, and all of the files and records herein, the Court now finds that cause exists entitling Movant to the relief requested.

NOW, THEREFORE, IT IS HEREBY ORDERED that the automatic stay of 11 U.S.C. 362(a) of the Bankruptcy Code is immediately annulled as to Movant effective as of August 14, 2004, and Movant is authorized to enforce its mortgage and security interest in the subject:

The South Five Hundred Fifty (550) feet of the East Six Hundred Ten (610) feet of Government Lot One (1), Section Four (4), Township One Hundred Sixty-one (161) North, Range Thirty-nine (39) West of the Fifth Principal Meridian in Minnesota, according to the United States Government Survey thereof; Roseau County, Minnesota; and

1998 Skyline "Lexington" Manufactured Home, Serial No. 2T300945KAB.

Notwithstanding Fed. R. Bankr. 4001(a)(3), this order is effective immediately.

Dated: _____

United States Bankruptcy Judge