

33948

Vol. 1197 Page 6695

WHEN RECORDED MAIL TO:

97 MAR -6 P3:15

**PREMIER MORTGAGE**  
**4500 S.W. Kruse Way, Suite 170**  
**Lake Oswego, OR 97035**

ACCOUNT NUMBER

TAX ACCOUNT NUMBER

K-50166  
**DEED OF TRUST**

THIS DEED OF TRUST is made this 25 day of FEBRUARY, 1997, among the Grantor,  
**DELORES A. IRVIN & JOSEPH S. IRVIN**

(herein "Borrower").

(herein "Trustee"), and the Beneficiary.

**AMERITITLE**  
**FT MORTGAGE COMPANIES D/B/A PREMIER MORTGAGE RESOURCES**, a corporation organized and  
 existing under the laws of **THE STATE OF KANSAS**, whose address is  
**2345 GRAND AVE, STE 2200, KANSAS CITY, MO 64108** (herein "Lender").

**BORROWER**, in consideration of the indebtedness herein recited and the trust herein created, irrevocably grants and conveys to  
**Trustee**, in trust, with power of sale, the following described property located in the County of  
**Klamath**, State of Oregon:

**SECURITY INSTRUMENT RIDER 80/20 PROGRAM ATTACHED HERETO AND MADE A PART HEREOF;**  
**LOTS 7, 8 AND 9 IN BLOCK 32 CRESCENT, ACCORDING TO THE OFFICIAL PLAT THEREOF**  
**ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.**

which has the address of **CORNER OF 4TH & STEVENS**, **CRESCENT**  
 [Street] [City]  
**Oregon 97733**  
 [ZIP Code] (herein "Property Address");

**TOGETHER** with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and  
 rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), all of which shall be  
 deemed to be and remain a part of the property covered by this Deed of Trust; and all of the foregoing, together with said property (or  
 the leasehold estate if this Deed of Trust is on a leasehold) are hereinafter referred to as the "Property";

**TO SECURE** to Lender the repayment of the indebtedness evidenced by Borrower's note dated  
**FEBRUARY 25, 1997** and extensions and renewals thereof (herein "Note"), in the principal sum of  
**U.S. \$ 11,200.00**, with interest thereon, providing for monthly installments of principal and interest, with the balance  
 of the indebtedness, if not sooner paid, due and payable on **MARCH 1, 2012**; the payment  
 of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Deed of Trust; and the  
 performance of the covenants and agreements of Borrower herein contained.

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to grant and convey the  
 Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and  
 will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

**UNIFORM COVENANTS.** Borrower and Lender covenant and agree as follows:

**1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest indebtedness  
 evidenced by the Note and late charges as provided in the Note.

**2. Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on  
 the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds")  
 equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any)  
 which may attain priority over this Deed of Trust, and ground rents on the Property, if any, plus one-twelfth of yearly premium  
 installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably  
 estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower  
 shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a  
 prior mortgage or deed of trust if such holder is an institutional lender.

**OREGON - SECOND MORTGAGE - 1/80 - FNMA/FHLMC UNIFORM INSTRUMENT**

78(OR) (800)

Form 3020  
 Amend 09/93

VMP MORTGAGE FORMS • (800) 821-7201

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Initials: *[Signature]*



If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Deed of Trust that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings 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 the sums secured by this Deed of Trust.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

Upon payment in full of all sums secured by this Deed of Trust, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Deed of Trust.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

**4. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Deed of Trust, and leasehold payments or ground rents, if any.

**5. Hazard 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 such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

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.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Deed of Trust.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Deed of Trust is on a leasehold. If this Deed of Trust is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Deed of Trust, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Deed of Trust, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

**8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Deed of Trust.

**10. 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 Deed of Trust granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Deed of Trust by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Deed of Trust, but does not execute the Note, (a) is co-signing this Deed of Trust only to grant and convey that Borrower's interest in the Property to Trustee under the terms of this Deed of Trust, (b) is not personally liable on the Note or under this Deed of Trust, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Deed of Trust or the Note, without that Borrower's consent and without releasing that Borrower or modifying this Deed of Trust as to that Borrower's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Deed of Trust shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Deed of Trust shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

13. Governing Law; Severability. The state and local laws applicable to this Deed of Trust shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Deed of Trust. In the event that any provision or clause of this Deed of Trust or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Deed of Trust or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Deed of Trust and the Note are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Deed of Trust at the time of execution or after recordation hereof.

15. Rehabilitation Loan Agreement. Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. 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 Deed of Trust. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Deed of Trust.

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 Deed of Trust. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Deed of Trust without further notice or demand on Borrower.

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

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, including the covenants to pay when due any sums secured by this Deed of Trust, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Deed of Trust 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 breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Deed of Trust to be immediately due and payable 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 reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees.

If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence of an event of default and of Lender's election to cause the Property to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall give notice of sale in the manner prescribed by applicable law to Borrower and to the other persons prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of the sale in one or more parcels and in such order as Trustee may determine. Trustee may postpone sale of all or any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property so sold without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all reasonable costs and expenses of the sale, including, but not limited to, reasonable Trustee's and attorneys' fees and costs of title evidence; (b) to all sums secured by this Deed of Trust; and (c) the excess, if any, to the person or persons legally entitled thereto.

18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Deed of Trust due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Deed of Trust discontinued at any time prior to the earlier to occur of (i) the fifth day before sale of the Property pursuant to the power of sale contained in this Deed of Trust or (ii) entry of a judgment enforcing this Deed of Trust if: (a) Borrower pays Lender all sums which would be then due under this Deed of Trust and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Deed of Trust; (c) Borrower pays all reasonable expenses incurred by Lender and Trustee in enforcing the covenants and agreements of Borrower contained in this Deed of Trust, and in enforcing Lender's and Trustee's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Deed of Trust, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Deed of Trust shall continue unimpaired. Upon such payment and cure by Borrower, this Deed of Trust and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender, in person, by agent or by judicially appointed receiver shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Deed of Trust. Lender and the receiver shall be liable to account only for those rents actually received.

20. Reconveyance. Upon payment of all sums secured by this Deed of Trust, Lender shall request Trustee to reconvey the Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to Trustee. Trustee shall reconvey the Property without warranty and without charge to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation, if any.

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

22. Use of Property. The Property is not currently used for agricultural, timber, or grazing purposes.

23. Attorneys' Fees. As used in this Deed of Trust and in the Note, "attorneys' fees" shall include attorneys' fees, if any, which shall be awarded by an appellate court.

**REQUEST FOR NOTICE OF DEFAULT  
AND FORECLOSURE UNDER SUPERIOR  
MORTGAGES OR DEEDS OF TRUST**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Deed of Trust to give Notice to Lender, at Lender's address set forth on page one of this Deed of Trust, of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Deed of Trust

*Delores A. Irvin* (Seal)  
DELORES A. IRVIN - Borrower

*Joseph S. Irvin* (Seal)  
JOSEPH S. IRVIN - Borrower

\_\_\_\_ (Seal)  
- Borrower

\_\_\_\_ (Seal)  
- Borrower

(Sign Original Only)

STATE OF OREGON,

On this 27th

day of February

County ss: Deschutes

1997

, personally appeared the above named

Delores A. Irvin and Joseph S. Irvin

and acknowledged

the foregoing instrument to be their voluntary act and deed.

Before me:

My Commission Expires: 11/17/2000  
(Official Seal)

*Christine M. Conners*  
Notary Public for Oregon




SECURITY INSTRUMENT RIDER  
80/20 PROGRAM

6699  
LOAN #0007384845

This Addendum amends and supplements the following Borrower Note and Deed of Trust or Mortgage ("Security Instrument"). The Lender is FT MORTGAGE COMPANIES D/B/A PREMIER and any subsequent holder of the Note. MORTGAGE RESOURCES

Fixed Rate Note made payable to the order of Lender in the principal amount of \$\_\_\_\_\_ and Deed of Trust or Mortgage naming Lender as beneficiary or mortgagee, both dated on or about this same date ("First Priority Note and Security Instrument").

Adjustable Rate Note made payable to the order of Lender in the principal amount of \$\_\_\_\_\_ and Deed of Trust or Mortgage naming Lender as beneficiary or mortgagee, both dated on or about this same date ("First Priority Note and Security Instrument").

 Fixed Rate Note made payable to the order of Lender in the principal amount of \$ 11,200.00 and Deed of Trust or Mortgage naming Lender as beneficiary or mortgagee, both dated on or about this same date ("Second Priority Note and Security Instrument").

The real property encumbered by the Security Instrument and this Addendum is described below or in the exhibit which is attached and incorporated herein by reference [Insert the real property description]:

1. Addendum Applicable to All Notes and Security Instruments. This Section 1 applies to all Notes and Security Instruments.

1.1 Late Payment Charge. If Borrower fails to pay any amount due within 15 days (or more days if required by state law), then Borrower also shall pay a late payment charge equal to the lesser of: (a) the maximum amount permitted by applicable state law; or (b) five percent of the late payment.

1.2 Transfer of the Property or a Beneficial Interest in Borrower. Uniform Covenant 17 of the Security Instrument is amended to read as follows:

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. Lender may decide not to exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender. To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in the Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require payment in full, 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.

After recording, please return to: PREMIER MORTGAGE RESOURCES  
4500 SW KRUSE WAY, SUITE 170  
LAKE OSWEGO, OR 97035

**WARNING**  
**(FORCED PLACED INSURANCE COVERAGE)**

Unless Borrower provides Lender with evidence of insurance coverage as required by the Security Instrument, the Lender may purchase insurance at Borrower's expense to protect the Lender's interest. This coverage may, but need not, also protect Borrower's interest. If the collateral becomes damaged, the coverage the Lender purchases may not pay any claim Borrower makes or any claim made against Borrower. Borrower may cancel this coverage by providing evidence that Borrower has obtained property coverage elsewhere.

Borrower is responsible for the costs of any insurance purchased by the Lender. The cost of this insurance may be added to the loan balance. If the cost is added to the loan balance, the interest rate on the underlying note will apply to this added amount. The effective date of coverage may be the date the prior coverage lapsed or the date Borrower failed to provide proof of coverage.

The coverage the Lender purchases may be considerably more expensive than insurance Borrower can obtain on Borrower's own and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable law.

2. Addendum Applicable to Any First Priority Note and Security Instrument. This Section 2 applies only to the First Priority Note and Security Instrument, if any, described above.

~~Prepayment Charges and Rights.~~ If during any 12-month period during the first five years of the Note, Borrower prepays more than 20 percent of the original amount of the Note and if permitted by applicable law, Borrower shall pay Lender a prepayment charge equal to the lesser of (a) the maximum amount permitted by applicable state law or (b) the then existing annual interest rate multiplied by the amount paid that is greater than 20 percent of the original amount of the Note and then multiplied by the following percentages for the applicable 12 month period: months 1-12 (50%); months 13-24 (40%); months 25-36 (30%); months 37-48 (20%); months 49-60 (10%). Subject to this prepayment charge, Borrower may make payments of principal at any time before they are due provided that Borrower advises the Lender in writing that Borrower is doing so. Lender will use all prepayments to reduce the amount of principal under this Note. Borrower shall continue to pay the monthly payments as they become due until the Note is paid in full.

**NOTICE TO THE BORROWER**

Do not sign this loan agreement before you read it. If permitted by state law this loan agreement provides for the payment of a penalty if you wish to repay the loan prior to the date provided for repayment in the loan agreement.

3. Addendum Applicable to Second Priority Note and Security Instrument. This Section 3 applies only to the Second Priority Note and Security Instrument, if any, described above.

Introductory Rate. Notwithstanding the interest rate described in the Note, the interest rate for the first    months, [Insert number of 12 month periods] shall be N/A percent per annum. The monthly payment for these introductory months will be \$ N/A. Thereafter the interest rate shall be as described in the Note and the monthly payments will be revised.

Borrower agrees that these terms shall amend and supplement the Note and Security Instrument described above.

Dated this 27<sup>th</sup> day of February, 1997.

Delores A. Irvin  
Borrower **DELORES A. IRVIN**

\_\_\_\_\_  
Borrower

STATE OF Oregon )  
County of Deschutes ) ss.

6701

This instrument was acknowledged before me on this 27<sup>th</sup> day of February, 1997, by  
Delores A Irvin and \_\_\_\_\_.



Christine M. Conners  
Notary Public for Oregon  
My commission expires: 11/17/2000

STATE OF OREGON : COUNTY OF KLAMATH: ss.

Filed for record at request of \_\_\_\_\_ Klamath County Title the 6th day  
of March A.D., 19 97 at 3:15 o'clock P. M., and duly recorded in Vol. M97  
of Mortgages on Page 6695

FEE \$40.00

Bernetha G. Letsch, County Clerk  
by Kathleen Ross