

## OPEN-END DEED OF TRUST LINE-OF-CREDIT TRUST DEED

Maturity Date of Secured Debt: 12/30/17

### WORDS USED OFTEN IN THIS DOCUMENT:

- (A) "Security Instrument." This document, which is dated DECEMBER 30, 1997 will be called the "Security Instrument".
- (B) "Borrower." DAVID M. WIRTZ AND DEBORAH D. WIRTZ, AS JOINT TENANTS BY THE ENTIRETY.  
sometimes will be called "Borrower" and sometimes simply "I" or "me".
- (C) "Lender." HOME EQUITY USA, INC., A RI CORPORATION  
will be called "Lender" and is the beneficiary of this Deed of Trust. Lender is a corporation which exists under the laws of RHODE ISLAND  
Lender's address is #6 EXECUTIVE PARK DRIVE NE SUITE 300, ATLANTA, GA., 30329
- (D) "Note." The Variable Interest Rate Revolving Loan Agreement and Disclosure Statement signed by Borrower and dated DECEMBER 30, 1997 will be called the "Note". The Note shows that I have entered into a revolving loan agreement with Lender pursuant to which I am entitled to obtain loan advances from Lender from time to time in amounts not to exceed at any one time, a Credit Limit of U.S. \$ 20,000.00, payable with charges, fees and interest at a variable rate in accordance with the terms of the Note. The full debt, if not sooner paid is due and payable in full on the Final Maturity Date of DECEMBER 30, 2017.
- (E) "Property." The property that is described below in the section titled "Conveyance in Trust and Description of the Property," will be called the "Property".
- (F) "Sums Secured." The amounts described below in the section titled "Obligations Secured by this Security Instrument" sometimes will be called the "Sums Secured".
- (G) "Trustee." The Trustee is CORY BRAUN  
and will be called the "Trustee".

### CONVEYANCE IN TRUST AND DESCRIPTION OF THE PROPERTY

I irrevocably grant and convey to Trustee, in trust, with power of sale, the Property described in (A) through (G) below:

- (A) The Property which is located at: JUG DRIVE LOT 10,  
CRESCENT, OREGON 97733

It has the following legal description:  
LOT 10, BLOCK 1, TRACT 1265, RAMEY ACRES, ACCORDING TO THE OFFICIAL PLAT  
THEREOF IN THE OFFICE OF THE COUNTY CLERK OF KLEATH COUNTY, OREGON.

- (B) All buildings and other improvements that are located on the Property described in sub-paragraph (A) of this section;
- (C) All rights in other property that I have as owner of the Property described in sub-paragraph (A) of this section. These rights are known as "easements and appurtenances attached to the Property";
- (D) All rights that I have in the land which lies in the streets or roads in front of, or next to, the Property described in sub-paragraph (A) of this section;
- (E) All fixtures that are now or in the future will be on the Property described in sub-paragraphs (A) and (B) of this section;
- (F) All of the rights and property described in sub-paragraphs (B) through (E) of this section that I acquire in the future; and
- (G) All replacements of or additions to the Property described in sub-paragraphs (B) through (F) of this section.

### OBLIGATIONS SECURED BY THIS SECURITY INSTRUMENT

This Security Instrument, and the trust created by this Security Instrument, is given for the purpose of protecting Lender from possible losses that might result if I fail to:

- (A) Pay all the amounts that I owe Lender as stated in the Note, including any and all future advances made by Lender to me not in excess of my Credit Limit, with interest at a variable rate as provided in the Note;
- (B) Pay, with interest, any amounts that Lender spends under Paragraphs 2 and 8 of this Security Instrument to protect the value of the Property and Lender's rights in the Property; and
- (C) Keep all of my other promises and agreements under this Security Instrument.

## **BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY**

I promise that: (A) I lawfully own the Property; (B) I have the right to grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property, except for those which are of public record, and those which I have specifically disclosed to Lender, and which Lender has approved, prior to the date of this Security Instrument.

I give general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

### **PLAIN LANGUAGE SECURITY INSTRUMENT**

This Security Instrument contains promises and agreements that are used in real property security instruments all over the country. It also contains promises and agreements that vary, to a limited extent, in different parts of the country. My promises and other agreements are stated in "plain language."

### **COVENANTS**

I promise and I agree with Lender as follows:

#### **1. BORROWER'S PROMISE TO PAY**

I will pay to Lender on time principal and interest due under the Note and any renewal, extension or modification of the Note (if any) granted by Lender.

#### **2. MONTHLY PAYMENTS FOR TAXES AND INSURANCE**

##### **(A) Borrower's Obligations**

I will pay for taxes, assessments, leasehold payments or ground rents (if any), hazard or property insurance covering the Property, and flood insurance (if any).

##### **(B) Escrow Funds**

Upon providing me with thirty (30) days' written notice, Lender may require me to pay to Lender on the day monthly payments of principal and interest are due under the Note, until the Note is paid in full, a sum (the "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 Security Instrument 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.

If Borrower pays Funds to Lender, 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 Security Instrument 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 the credits and debits to the Funds and the purpose for which each debit was made. The Funds are pledged as additional security for the Sums Secured by this Security Instrument.

If the amount of the Funds held by Lender together with the future monthly installments of Funds payable prior to the due date of taxes, assessments, insurance premiums and ground rents shall exceed the amount required to pay such 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 Funds held by Mortgage 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 Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under Paragraph 21 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 Security Instrument.

#### **3. APPLICATION OF BORROWER'S PAYMENTS**

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraph 1 above in the following order and for the following purposes:

First, to pay any credit insurance premiums due under the Note;

Next to pay interest and any other accrued Finance Charges;

Next, to pay principal;

Next, to pay late charges;

Next, to pay any returned check charges; and

Last, to pay any other charges due under the Note.

#### **4. PROVISIONAL ASSIGNMENT OF RENTS**

Borrower hereby assigns to Lender all rents from the Property; however, prior to default and acceleration of the debt. Borrower shall have the right to collect and retain such rents as they come due. In the event of abandonment or default and acceleration, without taking possession, Lender shall be entitled to collect such rents and apply them to the indebtedness secured by this Security Instrument.

**5. BORROWER'S OBLIGATION TO PAY CHARGES, ASSESSMENTS AND CLAIMS**

I will pay all taxes, assessments, and any other charges and fines that may be imposed on the Property and that may be superior to this Security Instrument. I will also make payments due under my lease if I am a tenant on the Property and will pay ground rents (if any) due on the Property. (In this Security Instrument, the word "person" means any person, organization, governmental authority or other party.) I will do this either by making the payments to Lender, or by making the payments on time to the person owed them. If I make direct payments, then promptly after making any of those payments I will give Lender a receipt which shows that I have done so. If I make payment to Lender, I will give Lender all notices or bills that I receive for the amounts due under this Paragraph 5.

I will promptly pay or satisfy all liens against the Property that may be superior to this Security Instrument. However, this Security Instrument does not require me to satisfy a superior lien if (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation; or (B) in good faith, I argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced; or (C) I secure from the holder of that other lien an agreement, approved in writing by Lender, that the lien of this Security Instrument is superior to the lien held by that person. If Lender determines that any part of the Property is subject to a superior lien, Lender may give Borrower a notice identifying the superior lien. Borrower shall pay or satisfy the superior lien or take one or more of the actions set forth above within ten (10) days of the giving of notice.

**6. BORROWER'S OBLIGATION TO MAINTAIN HAZARD INSURANCE OR PROPERTY INSURANCE**

I will obtain hazard or property insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies and other hazards for which Lender requires coverage, including floods and flooding. The insurance must be in the amounts and for the periods of time required by Lender. I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. If I do not maintain the insurance coverage described above, Lender may obtain insurance coverage to protect Lender's rights in the Property in accordance with Paragraph 9 below.

All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect Lender. The form of all policies and renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "proceeds". The proceeds will be used to repair or to restore the damaged Property unless (A) it is not economically feasible to make the repairs or restoration; or (B) the use of the proceeds for that purpose would lessen the protection given to Lender by this Security Instrument; or (C) Lender and I have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically feasible or if it would lessen Lender protection under this Security Instrument, then the proceeds will be used to pay the Sums Secured. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within thirty (30) days, a notice from Lender stating that the insurance company has offered to settle a claim, Lender may collect the proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Sums Secured. The thirty-day (30-day) period will begin when the notice is given.

If any proceeds are used to reduce the amount of Principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property under Paragraph 21 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the Sums Secured immediately before the Property is acquired by Lender or sold.

**7. BORROWER'S OBLIGATIONS TO OCCUPY THE PROPERTY, TO MAINTAIN AND PROTECT THE PROPERTY; BORROWER'S LOAN APPLICATION****(A) Borrower's Obligations to Occupy the Property**

I will occupy the Property and use the Property as my principal residence within sixty (60) days after I sign this Security Instrument. I will continue to occupy the Property and to use the Property as my principal residence for at least one year. The one-year period will begin when I first occupy the Property. However, I will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if Lender agrees in writing that I do not have to do so. Lender may not refuse to agree unless the refusal is reasonable. I also will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if extenuating circumstances exist which are beyond my control.

**(B) Borrower's Obligation to Maintain and Protect the Property**

I will keep this Property in good repair. I will not destroy, damage or harm the Property, and I will not allow the Property to deteriorate.

I will be "in default" under this Security Instrument if I fail to keep any promise or agreement made in this Security Instrument, or if anything occurs that would permit Lender to require immediate payment in full under Paragraphs 7(D) or 17, below. I will also be in default under this Security Instrument if any civil or criminal action or proceeding for "forfeiture" (that is, a legal action or proceeding to require the Property, or any part of the Property, to be given up) is begun and Lender determines, in good faith, that this action or proceeding could result in a court ruling (i) that would require forfeiture of the Property, or (ii) that would materially impair the lien of the Security Instrument or Lender's rights in the Property. I may correct the default by obtaining a court ruling that dismisses the legal action or proceedings, if Lender determines, in good faith, that this court ruling prevents forfeiture of my interest in the Property and also prevents any material impairment

of (i) the lien created by this Security Instrument, or (ii) Lender's rights in the Property. If I correct the default, I will have the right to have enforcement of this Security Instrument discontinued even if Lender has required immediate payment in full.

**(C) Borrower's Obligations to Fulfill Any Lease Obligations**

If I do not own but am a tenant on the Property, I will fulfill all my obligations under my lease. I also agree that, if I acquire fee title to the Property, my lease interests and the fee title will not merge unless Lender agrees to the merger in writing.

**(D) Borrower's Loan Application**

If, during the application process for the loan that I promise to pay under the Note, I made false or inaccurate statements to Lender about information important to Lender in determining my eligibility for the loan, Lender will treat my actions as a default under this Security Instrument. False or inaccurate statements about information important to Lender would include a misrepresentation of my intentions to occupy the Property as a principal residence. This is just one example of a false or inaccurate statement of important information. Also, if during the loan application process I failed to provide Lender with information important to Lender in determining my eligibility for the loan, Lender will treat this as a default under this Security Instrument.

**8. LENDER'S RIGHT TO PROTECT ITS RIGHTS IN THE PROPERTY**

If: (A) I do not keep my promises and agreements made in this Security Instrument, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as a legal proceeding in bankruptcy, in probate, for condemnation or forfeiture, or to enforce laws or regulations), 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 appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this Paragraph 8, Lender does not have to do so.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 8. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will also pay interest on those amounts at the Note rate. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph. This Security Instrument will protect Lender in case I do not keep this promise to pay those amounts with interest.

**9. LENDER'S RIGHT TO INSPECT THE PROPERTY**

Lender, and others authorized by the Lender, may enter on and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before or at the time an inspection is made, Lender must give me notice stating a reasonable purpose for the inspection.

**10. AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY**

A taking of the Property by any governmental authority by eminent domain is known as "condemnation". I give to Lender my right (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property; and (B) to proceeds from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to Lender.

If all of the Property is taken, the proceeds will be used to reduce the Sums Secured. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, and the fair market value of the Property immediately before the taking either is equal to, or greater than, the amount of the Sums Secured immediately before the taking, the amount that I owe to Lender will be reduced only by the amount of proceeds multiplied by a fraction. That fraction is as follows: (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. The remainder of the proceeds will be paid to me.

Unless Lender and I agree otherwise in writing or unless the law requires otherwise, if only a part of the Property is taken, and the fair market value of the Property immediately before the taking is less than the amount of the Sums Secured immediately before the taking, the proceeds will be used to reduce the Sums Secured.

If I abandon the Property, or if I do not answer, within thirty (30) days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the Sums Secured. The thirty-day (30-day) period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraph 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

**11. CONTINUATION OF BORROWER'S OBLIGATIONS AND OF LENDER'S RIGHTS**

**(A) Borrower's Obligations**

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Security Instrument. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Security Instrument.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Security Instrument, even if Lender is requested to do so.

**(B) Lender's Rights**

Even if Lender does not exercise any right of Lender under this Security Instrument or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will have the right under Paragraph 21 below to demand that I make immediate payment in full of the amount that I owe to Lender under the Note and under this Security Instrument.

**12. OBLIGATIONS OF BORROWER AND OF PERSONS TAKING OVER BORROWER'S RIGHTS OR OBLIGATIONS**

Any person who takes over my rights or obligations under this Security Instrument will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Similarly, any person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Security Instrument.

If more than one person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the Sums Secured. However, if one of us does not sign the Note: (A) that person is signing this Security Instrument only to give that person's rights in the Property to Lender under the terms of this Security Instrument; and (B) that person is not personally obligated to pay the Sums Secured; and (C) that person agrees that Lender may agree with the other Borrowers to delay enforcing any of the Lender's rights or to modify or make any accommodations with regard to the terms of this Security Instrument or the Note without that person'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 permitted limits: (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 exceed 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 REQUIRED UNDER THIS SECURITY INSTRUMENT**

Any notice that must be given to me under this Security Instrument will be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice will be addressed to me at the address stated in the section above titled "Description of the Property". A notice will be given to me at a different address if I give Lender a notice of my different address.

Any notice that must be given to Lender under this Security Instrument will be given by mailing it to Lender's address stated in subparagraph (C) of the section above titled "Words Used Often In This Document". A notice will be mailed to Lender at a different address if Lender gives me a notice of the different address. A notice required by this Security Instrument is given when it is mailed or when it is delivered according to the requirements of this Paragraph 14 or of applicable law.

**15. LAW THAT GOVERNS THIS SECURITY INSTRUMENT**

This Security Instrument is governed by federal law and the laws of the State of Oregon. If any term of this Security Instrument or of the Note conflicts with the law, all other terms of the Security Instrument and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

**16. BORROWER'S COPY**

I will be given one conformed copy of the Note and of this Security Agreement.

**17. AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED**

Lender may require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may require immediate payment in full if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person. However, Lender shall not require immediate payment in full if this is prohibited by federal law on the date of this Security Instrument. In no event will any person other than the Borrower be entitled to obtain advances from Lender under the terms of the Note secured by this Security Instrument.

If Lender requires immediate payment in full under this Paragraph 17, Lender will give me a notice which states this requirement. The notice will give me at least thirty (30) days to make the required payment. The thirty-day (30-day) period will begin on the date the notice is mailed or delivered. If I do not make the required payment during that period, Lender may act to enforce its rights under this Security Instrument without giving me any further notice or demand for payment.

**18. BORROWER'S RIGHT TO HAVE LENDER'S ENFORCEMENT OF THIS SECURITY INSTRUMENT DISCONTINUED**

Even if Lender has required immediate payment in full, I may have the right to have enforcement of this Security Instrument discontinued. I will have this right at any time before sale of the Property under any power of sale granted by this Security Instrument or at any time before a judgment has been entered enforcing this Security Instrument if I meet the following conditions:

- (A) I pay to Lender the full amount that then would be due under this Security Instrument and the Note as if immediate payment in full had never been required; and
- (B) I correct my failure to keep any of my other promises or agreements made in this Security Instrument; and
- (C) I pay all of Lender's reasonable expenses in enforcing this Security Instrument; and
- (D) I do whatever Lender reasonably requires to assure that Lender's rights in the Property, Lender's rights under this Security Instrument, and my obligations under the Note and under this Security Instrument continue unchanged.

If I fulfill all of the conditions in this Paragraph 18, then the Note and this Security Instrument will remain in full effect as if immediate payment in full had never been required. However, I will not have the right to have Lender's enforcement of this Security Instrument discontinued if Lender has required immediate payment in full under Paragraph 17 above.

**19. HOLDER'S RIGHT TO SELL THE NOTE OR AN INTEREST IN THE NOTE; BORROWER'S RIGHT TO NOTICE OF CHANGE OF LOAN SERVICER**

The Note, or an interest in the Note, together with this Security Instrument may be sold one or more times. I may not receive any prior notice of these sales.



The entity that collects my monthly payments due under the Note and this Security Instrument is called the "Loan Servicer". There may be a change of the Loan Servicer as a result of the sale of the Note; there also may be one or more change of the Loan Servicer unrelated to a sale of the Note. The law requires that I be given written notice of any change of the Loan Servicer. The written notice must be given in the manner required under Paragraph 14 above and under applicable law. The notice will state the name and address of the new Loan Servicer, and also tell me the address to which I should make my payments. The notice also will contain any other information required by law.

## 20. CONTINUATION OF BORROWER'S OBLIGATIONS TO MAINTAIN AND PROTECT THE PROPERTY

The federal laws and the laws of the State of Virginia that relate to health, safety or environmental protection are called "Environmental Laws". I will not do anything affecting the Property that violates Environmental Laws, and I will not allow anyone else to do so.

Environmental Laws classify certain substances as toxic or hazardous. There are other substances that are considered hazardous for purposes of this Paragraph 20. These are gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. The substances defined as toxic or hazardous by Environmental Laws and the substances considered hazardous for purposes of this Paragraph 20 are called "Hazardous Substances".

I will not permit Hazardous Substances to be present on the Property. I will not use or store Hazardous Substances on the Property, and I will not allow anyone else to do so. I also will not dispose of Hazardous Substances on the Property, or release any Hazardous Substances on the property, and I will not allow anyone else to do so. However, I may permit the presence on the Property of small quantities of Hazardous Substances that are generally recognized as appropriate for normal residential use and maintenance of the Property, and I may use or store these small quantities on the Property.

If I know of any investigation, claim, demand, lawsuit or other action by the government or by a private party involving the Property and any Hazardous Substance or Environmental Laws, I will promptly notify the Lender in writing. If the government notifies me (or I otherwise learn) that it is necessary to remove a Hazardous Substance affecting the Property or to take other remedial actions, I will promptly take all necessary remedial actions as required by Environmental Laws.

## 21. LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS

Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Security Instrument. Lender may also invoke the power of sale under this Security Instrument. If all of the conditions stated in subparagraphs (A), (B) and (C) of this Paragraph 21 are met, Lender may do this without making any further demand for payment. This requirement is called "immediate payment in full".

Lender may also require immediate payment in full if any of the events described in Paragraph 17 occur, even if the conditions stated in subparagraphs (A), (B) and (C) below are not met.

If Lender requires immediate payment in full, and invokes the power of sale, the Trustee may sell the Property, and take away all of my remaining rights in the Property. To the extent permitted by 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 and costs of title evidence.

If Lender invokes the power of sale, Lender shall send notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law of the occurrence of an event of default and of Lender's election to cause the Property to be sold. Trustee shall give notice of sale by public advertisement of the time, place, and terms of the sale as required by applicable law. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Lender or its designee may purchase the Property at any sale.

Trustee shall deliver to the purchaser Trustee's deed conveying the Property without any covenant or warranty, express or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, Trustee's fees, which may be up to 5% of the gross sale price and reasonable attorneys' fees; (b) to all sums secured by this Security Instrument; and (c) any excess to the person or persons legally entitled to it.

Lender may require immediate payment in full, and may invoke the power of sale, under this Paragraph 21 only if all of the following conditions are met:

- (A) I fail to keep any promise or agreement made in this Security Instrument or the Note, including the promises to pay when due the Sums Secured.
- (B) Lender sends to me, in the manner described in Paragraph 14 above, a notice that states:
  - (i) The promise or agreement that I failed to keep;
  - (ii) The action that I must take to correct the default;
  - (iii) A date by which I must correct the default. That date must be at least thirty (30) days from the date on which the notice is given;
  - (iv) That if I do not correct the default by the date stated in the notice, Lender may require immediate payment in full, and Lender or another person may acquire the Property by means of foreclosure and sale;
  - (v) That if I meet the conditions stated in Paragraph 18 above, I will have the right to have Lender's enforcement of this Security Instrument discontinued and to have the Note and this Security Instrument remain fully effective as if immediate payment in full had never been required; and
  - (vi) That I have the right in any lawsuit for foreclosure and sale to argue that I did keep my promises and agreements under the Note and under this Security Instrument, and to present any other defenses that I may have.
- (C) I do not correct the default stated in the notice from Lender by the date stated in that notice.

22. DISCHARGE (RELEASE) OF THIS SECURITY INSTRUMENT

When all Sums Secured by this Security Instrument have been paid in full and Lender has no further obligation to make any future loan advances to Borrower, Lender shall request that Trustee release this Security Instrument. Borrower specifically requests that Lender not request Trustee to release this Security Instrument, even if the Borrower has paid all sums owed to Lender, at any time prior to termination of the Borrower's right to obtain future advances under the terms of the Note, unless Borrower specifically requests Lender to release this Security Instrument in writing at the time the debt is paid in full. Lender shall have no obligation to make any loan advances to Borrower under the Note after Lender requests that the Trustee release this Security Instrument. At the time Lender requests Trustee to release this Security Instrument, Lender shall produce for Trustee the Note secured by this Security Instrument, duly cancelled. Trustee shall release this Security Instrument without further inquiry or liability. Borrower shall pay any recordation costs and the statutory Trustee's fees.

23. PAYMENT DURING FORECLOSURE

I agree that Lender may accept rents from the Property, hazard insurance proceeds, condemnation awards, and any other monies produced by the Property or paid by me, even though Lender has demanded immediate payment in full and invoked the power of sale under Paragraph 21 above. Lender may use such monies to pay off part of the Sums Secured affecting Lender's right to continue pursuing remedies under the power of sale.

24. SUBSTITUTE TRUSTEE

Lender, at its option, may from time to time remove Trustee without cause or reason and appoint a successor trustee to any Trustee appointed hereunder by recording a Deed of Appointment. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon Trustee herein and by applicable law.

25. WAIVER OF HOMESTEAD

Borrower waives all right of homestead exemption in the Property.

26. RIDERS TO THIS SECURITY INSTRUMENT

If one or more riders are signed by Borrower and recorded together with this Security Instrument, the promises and agreements of each rider are incorporated as a part of this Security Instrument. [Check applicable box(es).]

- |   |   |   |
|---|---|---|
| <input checked="" 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"/> Rate Improvement Rider |
| <input type="checkbox"/> Second Home Rider                | <input type="checkbox"/> Bi-Weekly Payment Rider        | <input type="checkbox"/> Balloon Rider          |
| <input type="checkbox"/> Other:                           |   |   |

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 7 of this Security Instrument and in any rider(s) signed by me and recorded with it.

Borrower: David M. Wirtz (SEAL)  
DAVID M. WIRTZ

Borrower: Deborah D. Wirtz (SEAL)  
DEBORAH D. WIRTZ

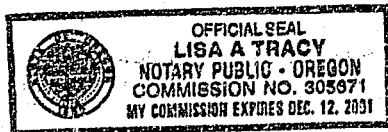
Borrower: \_\_\_\_\_ (SEAL)

STATE OF OREGON

COUNTY OF Deschutes

} s.s.

This instrument was acknowledged before me on December 31, in the year 97  
by David M. Wirtz and Deborah D. Wirtz



Lisa A. Tracy  
Notary Public

Lisa A. Tracy  
Print or Type Name

Title: Escrow Officer

Commission Expires: 12/12/01

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of First American Title the 8th day  
of January A.D., 19 98 at 3:11 o'clock P. M., and duly recorded in Vol. M98  
of Mortgages on Page 577

FEF \$40.00

By Bernetha G. Latsch, County Clerk  
Kathleen Reed