

98 AUG 25 AM 10:45

Washington Mutual  
Loan Servicing  
PO BOX 91006 - SAS0307  
Seattle, WA 98111  
Attention: Vault



LOAN NUMBER

001248648-6

### CONSTRUCTION TERM ADDENDUM TO DEED OF TRUST AND/OR SECURITY AGREEMENT FOR CONSUMER LOANS

THIS CONSTRUCTION TERM ADDENDUM TO DEED OF TRUST AND/OR SECURITY AGREEMENT is made this 18th day of August, 1998, and is incorporated into and shall be deemed to amend and supplement the Deed of Trust and/or Security Agreement of the same date, as modified by any other addendums or riders thereto (the "Security Instrument") which has been given by the undersigned (the "Borrower") to secure the Borrower's note of the same date to Washington Mutual Bank (the "Lender"), as modified by any addendums or riders thereto (the "Note"), which covers the property described therein and located at the address shown below (the "Property"):

46920 HWY 97  
KLAMATH FALLS, OR 97601

(Property Address)

Defined terms in the Note or the Security Instrument shall have the same meaning when used herein. To the extent that this Addendum conflicts with the terms and conditions set forth in the Security Instrument, the terms and conditions set forth in this Addendum shall control.

**THE TERMS OF THE BORROWER'S LOAN PROVIDE FOR BOTH CONSTRUCTION AND NON-CONFORMING PERMANENT FINANCING. THIS ADDENDUM SETS FORTH THE PAYMENT TERMS AND CERTAIN OTHER PROVISIONS OF THE BORROWER'S LOAN APPLICABLE TO THE CONSTRUCTION PERIOD.**

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

#### A. CONSTRUCTION LOAN AGREEMENT.

The Lender and I have executed a construction loan agreement (the "Construction Loan Agreement") which provides for certain improvements ("Improvements") on the Property.

#### B. CONSTRUCTION LOAN AGREEMENT SECURED BY SECURITY INSTRUMENT.

The Security Instrument also secures performance of my obligation under the Construction Loan Agreement. If I am in default under the Construction Loan Agreement, I will also be in default under the Note and Security Instrument, and the Lender shall be entitled to exercise all remedies for default permitted by the Note and/or the Security Instrument.

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RECORDING COPY

Page 1 of 2

20 -

31162

**C. PAYMENT DURING CONSTRUCTION LOAN PERIOD.**

Notwithstanding anything to the contrary in the Note or any other document related to my Loan, I will make payments of all accrued interest on the amount of funds disbursed by the Lender under the Construction Loan Agreement beginning on October 1, 1998, and on the first day of each of the following 5 calendar months. I will begin making payments of principal and interest as provided in the Note on April 1, 1999.

Notwithstanding the above, if construction of the Improvements has been completed in accordance with the Construction Loan Agreement and the loan is fully disbursed prior to the due date of any interest only payment to be made under the immediately preceding paragraph, I will instead begin making payments of principal and interest as provided in the Note on the next Monthly Payment Date if requested to do so by the Lender.

**D. SALE OR TRANSFER OF PROPERTY DURING CONSTRUCTION PERIOD.**

Any provisions in the Note and Security Instrument which permit me to sell or otherwise transfer the Property without paying my loan off in full are inapplicable until construction of the Improvements has been completed, the loan has been fully disbursed, and I have commenced making principal and interest payments as provided above.

IN WITNESS WHEREOF, Borrower has executed this construction Term Addendum to Deed of Trust and/or Security Agreement as of the day and year first written above.

HELEN A LOTTRIDGE  
Borrower's Name

*Helen A Lottridge*  
Borrower's Signature

8/21/98  
Date

CHERRY HARTMAN  
Borrower's Name

*Cherry Hartman*  
Borrower's Signature

8/21/98  
Date

EXHIBIT "A"  
LEGAL DESCRIPTION

31163

All that portion of the NE1/4 of the SE1/4 of Section 4, Township 34 South,  
Range 7 East of the Willamette Meridian, Klamath County, Oregon, lying Easterly  
of the centerthread of Spring Creek and Westerly of Highway No. 97.

EXCEPTING THEREFROM the North 900 feet measured perpendicular to the  
North line of the NE1/4 of the SE1/4 of said Section 4.

ALSO EXCEPTING THEREFROM that portion deeded to the State of Oregon,  
by deed recorded May 29, 1946 in Book 190, page 21, Deed Records of Klamath  
County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Amerititle  
of August A.D., 19 98 at 10:45 o'clock AM, and duly recorded in Vol. M98  
of Mortgages on Page 31161 day

FEE \$20.00

By Bernetha G. Letsch, County Clerk