

18053

Recording Requested by and
When Recorded Return to:Shearson/American Express Mortgage Corporation
1601 Dove Street, Suite 200
Newport Beach, CA 92660
Attn: Equity Loan Dept.Vol. 1082 Page 17196

Space Above For Recorder's Use

Account No. 806265-0SHEARSON KEY CLIENT
CREDIT ACCOUNT AGREEMENT
AND DEED OF TRUST
(Including Federal Truth-In-Lending Act Disclosures)

Parties:

TRUSTOR
GRANTOR
(Borrower):Dale O. Woods and Karen A. Woods, an estate in fee
simple as tenants by the entirety
Name1660 Old Fort Road, Klamath Falls, Oregon 97601
(Residence Address)N/A
(Address for notices, if different)Klamath County Title Company
(Name)TRUSTEE422 Main Street, Klamath Falls, Oregon 97601
(Address)BENEFICIARY:
(Creditor)Shearson/American Express
Mortgage Corporation
1201 E. Highland Avenue
P.O. Box 1201
San Bernardino, CA 92402

1. Obligatory Advances; Use of Proceeds; Promise to Pay; Maturity Date. This Shearson Key Client Credit Account Agreement and Deed of Trust ("Agreement") governs the use of your credit account ("Credit Account") with Shearson/American Express Mortgage Corporation, a Delaware corporation ("Shearson Mortgage"). In this Agreement, the terms "you" and "your" include all trustors and persons allowed to use the Credit Account. The terms "we", "us" and "our" refer to Shearson Mortgage. You authorize us to advance to you (or on your behalf) funds available under your Credit Account. Each such advance is called a "loan advance". When you properly request a loan advance from Shearson Mortgage in accordance with the provisions of this Agreement, Shearson Mortgage will be obligated to make the loan advance to you.

You understand and agree that under no circumstances may all or any part of any such loan advance be used directly or indirectly for the purpose of purchasing, carrying (i.e., repaying debt which was incurred to purchase securities) or trading in securities.

You agree to repay all loan advances and all other amounts we charge to your Credit Account, and to pay us a monthly Finance Charge on amounts outstanding in your Credit Account as provided in this Agreement. You also agree to pay us certain other Finance Charges, and additional charges, including late fees, as provided below. If legal action is necessary to enforce this Agreement, you agree to pay all collection costs, including, without limitation, reasonable attorneys' fees and court costs.

Your Credit Account will be terminated and all amount owing on your Credit Account, including accrued and unpaid Finance Charges and other charges, will be due and payable in full on December 1 19 87 (the "Maturity Date"), unless sooner terminated under this Agreement. This final payment will be paid directly to Shearson Mortgage at our address shown above, or such other address as we may later designate in writing.

2. Security - Deed of Trust. You are giving us a security interest in the form of a deed of trust in the property described in this Paragraph. In consideration of our extending credit to you under this Agreement, you hereby irrevocably grant and convey to Trustee,

in trust, with power of sale, the property located in the County of Klamath Falls, State of Oregon which is described in Exhibit "A" hereto, which Exhibit "A" is incorporated herein by this reference and made a part hereof, and which property has the address (the "Property Address") of 1660 Old Fort Road, Klamath Falls, Oregon 97601, together with all improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents (subject however to the rights and authorities given under this Agreement to Shearson Mortgage to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Agreement. All of the foregoing, together with said property (or the leasehold estate if this Agreement is on a leasehold) are referred to in this Agreement as the "Property". The security interest in the Property will secure your repayment of all sums owing to us under this Agreement and your performance of all of your obligations under this Agreement.

The Property is not used for agricultural, timber or grazing purposes.

3. Maintenance of Certain Equity in Securities Account. Prior to our extending credit secured by this Agreement, you established with Shearson/American Express Inc. ("Shearson") a general/margin securities account (the "Securities Account") with initial "equity" equal at least to fifty percent (50%) of the maximum credit limit provided in Paragraph 4. If the "equity" of the Securities Account shall at any time during the term of this Agreement be less than thirty-five percent (35%) of the then-outstanding balance of the Credit Account, you will be notified of such deficiency and will have thirty (30) days from the date on which such notice is sent to restore the "equity" of the Securities Account to an amount which is at least thirty-five percent (35%) of the then-outstanding balance of the Credit Account. If you fail to restore the "equity" of the Securities Account within the time allowed, we may, at our option (a) immediately increase the Daily Periodic Rate (as defined in Paragraph 6) on the outstanding balance of your Credit Account to a rate equal to the Prime Rate (as defined below), as then or thereafter announced, plus two and one-half percentage points (2-½%), divided by 365, (b) terminate your right to receive loan advances under this Agreement and (c) accelerate the Maturity Date of the Credit Account to a date which is six (6) months from the date on which notice of the deficiency was sent to you. For purposes of this Agreement, the term "equity" means the net cash credit balance, if any, of your Securities Account, plus the market value, as determined at the close of business on each business day, of the "marketable securities" you maintain as long securities in your Securities Account with Shearson, as aforesaid, less the net debit balance, if any, of the Securities Account and the market value, determined at the close of business on each business day, of any securities maintained as short securities in your Securities Account with Shearson as aforesaid. For purposes of this Agreement, the term "marketable securities" shall mean securities which are acceptable to Shearson and which are listed for trading on domestic stock exchanges or have over-the-counter listing privileges, and government or municipal securities for which a regular trading market exists.

4. Maximum and Minimum Credit Outstanding. The outstanding balance of your Credit Account, less accrued Finance Charges and other charges, may not at any time exceed \$ 86,750.00 or fall below \$20,000. If, for any reason, your Credit Account balance exceeds your maximum credit limit, you agree (a) to repay the amount in excess of your maximum credit limit immediately upon our demand and (b) in any event, to repay your entire Credit Account balance in accordance with the terms of this Agreement. If your Credit Account balance falls below \$20,000, we may, at our option and with no prior notice, terminate your right to receive loan advances under this Agreement and declare your Credit Account immediately due and payable.

5. Loan Advance Procedures. Loan advances may be obtained only by request to Shearson Mortgage, in such form and by such procedures as we may designate. The initial loan advance must be for the full amount of credit available to you under your Credit Account, and must be taken no later than the day that this Agreement is recorded in the office of the County Clerk or the County Recorder of the County in which the Property is located. To the extent that you repay the balance owing on your Credit Account, you may obtain additional loan advances in a minimum amount of \$10,000 each, up to the maximum amount of credit available under your Credit Account. Requests for additional loan advances will be honored only if, at the time of your request (a) you are in full compliance with the terms and conditions of this Agreement and have followed all procedures required by us, (b) you confirm in writing that you will not use all or any part of such advance, directly or indirectly, for the purpose of purchasing, carrying or trading in securities, (c) the "equity" (as defined in Paragraph 3) of your Securities Account is not less than fifty percent (50%) of the sum of the then-outstanding balance of your Credit Account and the amount of the requested loan advance and (d) there is not existing against the Property any lien or encumbrance (other than any senior lien identified in Exhibit "B" hereto) which would have priority over the requested loan advance.

6. FINANCE CHARGE.

(a) FINANCE CHARGE imposed when your Credit Account is opened. The following FINANCE CHARGE will be imposed in connection with the opening of your Credit Account:

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| (1) Servicing Fee – (1% of credit limit) | \$ <u>867.50</u> |
| (2) Origination Fee – (1.5% of credit limit less Other Charges in Paragraph 8 other than items (f) and (g)) | \$ <u>689.75</u> |
| (b) <u>FINANCE CHARGE</u> imposed monthly. | |

The Monthly Finance Charge begins to accrue on the date that a loan advance is funded (even if you do not receive the proceeds until a later time). We compute the Monthly Finance Charge for each billing cycle for the actual number of days elapsed, based on a 365-day year, as follows:

- (1) We start with the balance in your Credit Account at the beginning of the billing cycle including any unpaid Monthly Finance Charge from previous billing cycles). This amount is called the "Previous Balance".
- (2) Each day during the billing cycle, we take the Previous Balance and add to that amount any loan advances and other charges and subtract any payments or credits which are posted to your Credit Account during the billing cycle up to the close of business for that day. This gives us the daily balance for each day of the billing cycle.
- (3) We then multiply the daily balance for each day of the billing cycle by the Daily Periodic Rate in effect for that day.
- (4) At the close of the billing cycle, we add together the Finance Charge so computed for each day of the billing cycle to get the total Monthly Finance Charge for that billing cycle.
- (5) If the Monthly Finance Charge is not paid for a particular billing cycle, the amount of the Previous Balance, diminished or augmented as provided in Paragraph (2) above, shall not include, for purposes of calculating the Monthly Finance Charge for any successive billing cycle, the accrued but unpaid Monthly Finance Charge for any such prior billing cycle. Nothing contained herein shall be construed as forgiveness of any unpaid Monthly Finance Charge or as relieving you from the consequences of such nonpayment.

The initial Daily Periodic Rate on your Credit Account is 0.36986% (ANNUAL PERCENTAGE RATE of 13.50 %) and is equal to the Prime Rate (as defined below) in effect on the last business day immediately preceding the date of the Agreement, plus one and one half percentage points ($1\frac{1}{2}\%$), divided by 365.

The Daily Periodic Rate on your Credit Account, which will change from time to time in accordance with changes in the Prime Rate, is equal to a rate of one and one-half percentage points ($1\frac{1}{2}\%$) above the Prime Rate in effect, divided by 365 (unless the Daily Periodic Rate is increased pursuant to Paragraph 3). Each change in the Daily Periodic Rate will be effective as of the date the Prime Rate changes. An increase or decrease in the Daily Periodic Rate will result in a corresponding increase or decrease in the amount of the monthly payment required under this Paragraph and in the amount of the final payment due on the Maturity Date.

For the purposes of this Agreement, the term "Prime Rate" means the rate of interest announced by commercial banks in New York City for 90-day unsecured loans to their best commercial customers, as published in a recognized financial publication designated by Shearson Mortgage, rounded upward to the nearest one-quarter percentage point ($\frac{1}{4}\%$). In the event that the Prime Rate as so published consists of a range of rates, the term "Prime Rate" shall refer to the highest rate of interest so published.

7. Monthly Statement and Repayment Procedure; Late Charge. Your minimum payment due each month will be equal to the Monthly Finance Charge that has accrued on your Credit Account during the previous billing cycle. You will receive a Monthly Statement summarizing the activity of your Credit Account for each statement period. By signing this Agreement, you authorize Shearson to pay your minimum monthly payment on the date due by way of an automatic advance from your Securities Account (which automatic advance will appear on your Monthly Statement). Shearson will make such advances on your behalf only if the "equity" of your Securities Account is not then or would not thereby be reduced, below the level required under Paragraph 3. (You understand that any indebtedness created in your Securities Account as a result of any such advances will be charged interest at the same rate and on the same terms and conditions as any other indebtedness incurred under your Securities Account.) If there is insufficient "equity" in your Securities Account to permit such an advance, you will have ten (10) days from the date of the statement within which to make (a) the required payment directly to Shearson Mortgage at our address shown above or such other place as we may designate in writing or (b) deposit cash and/or securities in your Securities Account in an amount sufficient to permit such an advance to be made on your behalf.

If you prefer to make your monthly payments directly to Shearson Mortgage, and you do not wish Shearson to make such monthly advances on your behalf, simply notify Shearson Mortgage in writing of your preference and Shearson Mortgage will make arrangements for a direct payment procedure.

If the Maturity Date of your Credit Account is accelerated pursuant to Paragraph 3, you will in any event be obligated to make all of your monthly payments directly to Shearson Mortgage at our address shown above or such other place as we may designate in writing. Unless applicable law provides otherwise, we will apply all payments made to your Credit Account first to interest payable and then to principal. If we do not receive your minimum payment within ten (10) days of the due date shown on the monthly statement, we will charge your Credit Account a late charge equal to the greater of \$5.00 or six percent (6%) of the amount of the delinquent payment.

8. Other Charges. The following other charges will be imposed in connection with your Credit Account and, except for items (f) and (g), will be deducted from the first advance from your Credit Account:

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| (a) Title Insurance Premium | \$ 526.00 |
| (b) Recording Fees | \$ 35.00 |
| (c) Appraisal Fee | \$ (200.00) POC |
| (d) Sub-Escrow Fee | \$ 50.00 |
| (e) Beneficiary/Demand Statement | \$.00 |
| (f) Reconveyance Fee (Estimated) | \$ 50.00 |
| (g) Hazard Insurance for _____ | \$.00 |
| (h) _____ | \$.00 |

Item (f) is to be paid in cash by you to Trustee upon the termination of this Agreement pursuant to the provisions of Paragraph 26; item (g) is to be paid in cash by you to the hazard insurance carrier prior to the execution of this Agreement pursuant to the provisions of Paragraph 12.

9. Irregular Payments. We can accept late payments or partial payments, or drafts, checks or money orders marked "payment in full", without losing any of our rights under this Agreement.

10. Charges; Liens. You will pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Agreement, as well as all leasehold payments or ground rents, if any, attributable to the Property, and you will promptly furnish us with receipts of those payments. You will promptly discharge any lien other than the lien of any Deed of Trust senior to this Agreement, if any, that is (are) identified on Exhibit "B" hereto, which Exhibit "B" is incorporated herein by this reference and made a part of this Agreement; provided, that you will not be required to discharge any such lien so long as you agree in writing to the payment of the obligation secured by such lien in a manner acceptable to us, or will in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which operate to prevent the enforcement of such lien or forfeiture of the Property or any part thereof. Except for taxes, assessments and other charges specified above, you shall not create or suffer or permit to be created, subsequent to the date of the execution and delivery of this Agreement, any lien or encumbrance without first obtaining our consent.

11. Ownership of the Property. You warrant and represent that you lawfully own the Property and have the right to grant and convey the Property under this Agreement, that except as set forth in Exhibit "B" hereto, the Property is unencumbered, and that you will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring our interest in the Property.

12. Hazard Insurance. You will 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 that we may require and in the amounts and for the periods that we may require; provided, that we shall not require that the amount of such coverage exceed that amount of coverage required to pay the total of (a) the maximum credit available under your Credit Account and (b) the aggregate unpaid balance(s) of all of the deed(s) of trust and other liens identified in Exhibit "B" hereto.

You may obtain the insurance from the insurance carrier of your choice, subject to our approval. Our approval will not be unreasonably withheld. All premiums on insurance policies shall be paid directly to the insurance carrier.

All insurance policies and policy renewals shall be in form acceptable to us and shall include a standard mortgage clause in favor of and in form acceptable to Shearson Mortgage. We shall have the right to hold the policies and policy renewals, and you will promptly furnish us with all renewal notices and all receipts of premiums paid. In the event of loss, you will notify the insurance carrier and us promptly. We may make proof of loss if not made promptly by you.

Unless we otherwise agree with you in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided that the restoration or repair is economically feasible and would not impair the security of this Agreement. If restoration or repair is not economically feasible or if the security of this Agreement would be impaired, the insurance proceeds shall be applied to the sums secured by this Agreement with the excess, if any, paid to you. If you abandon the Property, or if you fail to respond to us within thirty (30) days from the date we mail a notice to you that the insurance carrier offers to settle a claim for insurance benefits, you authorize us to collect and apply the insurance proceeds at our option either to restoration or repair of the Property or to the sums secured by this Agreement.

Unless we otherwise agree with you in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment (including the final payment due on the Maturity Date) owing under this Agreement or change the amount of any such payments. If under Paragraph 24 we acquire the Property, all your right, title and interest in and to any insurance policies and in and to the proceeds of those policies resulting from damage to the property prior to the sale or acquisition shall pass to us to the extent of the sums secured by this Agreement immediately prior to such sale or acquisition.

13. Preservation, Maintenance of Property; Leaseholds; Condominiums, Planned Unit Developments. You agree that you will keep the Property in good repair and will not commit waste or permit impairment or deterioration of the Property and will comply with the provisions of any lease if this Agreement is on a leasehold. If this Agreement is on a unit in a condominium or a planned unit development, you will perform all of your 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. If a condominium or planned unit development rider is executed by you and recorded together with this Agreement, the covenants and agreements of that rider shall be incorporated into and shall amend and supplement this Agreement as if the rider were a part hereof.

14. Protection of Security. If you fail to perform the agreements contained in this Agreement, or if any action or proceeding is commenced which materially affects our interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then we may, at our option, upon notice to you, make such appearances, disburse such sums and take such action as is necessary to protect our interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs. You further agree to reimburse us should we obtain title endorsements or similar guarantees to maintain our lien priority on the Property.

Any amounts disbursed by us pursuant to this Paragraph, with interest thereon, shall become additional indebtedness secured by this Agreement. Unless we agree with you to other terms of payment, such amounts shall be payable upon notice from us to you requesting payment thereof, and shall bear interest from the date of disbursement at the rate(s) then payable on outstanding balances of your Credit Account unless payment of interest at such rate(s) would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph shall require us to incur any expense or take any action hereunder.

15. Inspection. We may make or cause to be made reasonable entries upon and inspections of the Property, provided that we shall give you notice prior to any such inspection specifying reasonable cause therefor related to our interest in the Property.

16. 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 Shearson Mortgage.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Agreement with the excess, if any, paid to you. In the event of a partial taking of the Property, unless we have otherwise agreed with you in writing, there shall be applied to the sums secured by this Agreement such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Agreement immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to you.

If you abandon the Property or if, after we give you notice that the condemnor offers to make an award or settle a claim for damages, you fail to respond to us within thirty (30) days after the date such notice is mailed, we are authorized to collect and apply the proceeds, at our option, either to restoration or repair of the Property or to the sums secured by this Agreement.

Unless we have otherwise agreed with you in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment (including the final payment due on the Maturity Date) owing under this Agreement or change the amount of any such payments.

17. Extension Not a Release. If we grant an extension of the time for payment of the sums secured by this Agreement to anyone who is your successor in interest, the extension shall not operate to release, in any manner, your liability or the liability of your successors in interest. We shall not be required to (a) commence proceedings against such successor or (b) refuse to extend time for payment of the sums secured by this Agreement by reason of any demand made by you or your successors in interest.

18. Forbearance Not a Waiver. Any forbearance by us 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. The procurement of insurance or the payment of taxes or other liens or charges by us shall not be a waiver of our right to accelerate the maturity of the indebtedness secured by this Agreement.

19. Remedies Cumulative. All remedies provided in this Agreement are distinct and cumulative to any other right or remedy under this Agreement or afforded by law or equity, and may be exercised concurrently, independently or successively.

20. Successors and Assigns Bound; Captions. The agreements contained in this Agreement shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Shearson Mortgage and you, subject to the provisions of Paragraphs 23 and 32. The captions and headings of the paragraphs of this Agreement are for convenience only and are not to be used to interpret or define the provisions hereof.

21. Notice. Except for any notice required under applicable law to be given in another manner, and except as provided in Paragraph 3, (a) any notice to you provided for in this Agreement shall be given by mailing the notice by certified mail, return receipt requested, addressed to you at your address shown above or at any other address you may designate by notice to us as provided in this Paragraph, and (b) any notice to Shearson Mortgage shall be given by certified mail, return receipt requested, to our address stated herein or to such other address as we may designate by notice to you as provided in this Paragraph. Any notice provided for in this Agreement shall be deemed to have been given to you for Shearson Mortgage when given in the manner designated in this Paragraph.

22. Governing Law; Severability; Conflicts. This Agreement shall be governed by the law of Oregon. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement which can be given effect without the conflicting provision and to this end the provisions of this Agreement are declared to be severable. In the event of any conflict between the terms of this Agreement and the terms appearing on other documents executed in connection with your use of the Credit Account, the terms of this Agreement shall govern.

23. Transfer of the Property; Acceleration. If you sell or transfer all or any part of the Property or an interest therein without our prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Agreement, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three (3) years or less not containing an option to purchase, we may, at our option and without notice, declare all the sums secured by this Agreement to be immediately due and payable. If you fail to pay us all such sums immediately upon such declaration, we may invoke, without further notice or demand, any of the remedies provided for in Paragraph 24 of this Agreement.

24. Acceleration; Remedies. Except as provided in Paragraphs 3, 4, 23 and 30, if you breach any provision of this Agreement including, without limitation, your agreement to pay any monthly payment when due or the final payment on the Maturity Date, we may, at our option and without notice, declare all of the sums secured by this Agreement to be immediately due and payable without further demand, and we may invoke the power of sale and any other remedies permitted by applicable law. We shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this Paragraph, including, but not limited to, court costs and reasonable attorneys' fees.

If we invoke the power of sale, we shall execute or cause Trustee to execute a written notice containing all information required by law, including specification of the occurrence of an event of default and of our election to sell the Property to satisfy your obligation and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Shearson Mortgage or Trustee shall mail copies of such notice of sale in the manner prescribed by applicable law to you and to the other persons prescribed by applicable law. Trustee shall publish such notice of sale in the manner prescribed by applicable law. After the lapse of such time as may be required by applicable law, Trustee or Trustee's attorney, without demand on you, shall sell the Property at (public) auction to the highest bidder for cash at the date, time and place designated in the notice of sale, in one or more parcels as Trustee may determine. Trustee may postpone the sale by public announcement at the time and place designated in the notice of sale in accordance with applicable law. Shearson Mortgage or our designee may purchase the Property at any sale.

Upon the receipt of payment from the purchaser, the Trustee shall deliver to the purchaser Trustee's deed conveying the interest in the property so sold which you had or had power to convey at the time of the execution by you of this Agreement, together with any interest you or your successors acquire after the execution of this Agreement. Such conveyance shall be without covenant or warranty, express or implied. The purchaser at the sale shall be entitled to possession of the Property sold on the 10th day following the sale. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein when recorded in the county of counties in which the property is situated. Trustee shall apply the proceeds of the sale in the following order: (a) to the expenses of the sale, including, but not limited to, compensation of the Trustee and a reasonable charge by the attorney and costs of title evidence; (b) to all sums secured by this Agreement; (c) to all persons having recorded liens subsequent to the interest of the Trustee in this Agreement in order of their priority; and (d) the surplus, if any, to you or the person or persons legally entitled thereto.

In the event Shearson Mortgage invokes the power of sale in the manner set forth above, you may at any time prior to five days before the sale date pay to Shearson Mortgage the entire amount then due under the terms of this Agreement (including costs and expenses actually incurred in enforcing the terms of this agreement, and trustee's and attorney's fees not exceeding amounts provided by law), other than such portion of the principal as would not then be due had no default occurred, and thereby cure the default, in which case all foreclosure proceedings shall be dismissed by the Trustee and this Agreement shall be reinstated as if no acceleration had occurred.

25. Assignment of Rents; Appointment of Receiver; Shearson Mortgage in Possession. As additional security hereunder, you hereby assign to us the rents and profits of the Property, provided that you shall, prior to an acceleration of the sums secured by this Agreement or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon an acceleration of the sums secured by this Agreement or abandonment of the Property, Shearson Mortgage, in person, or by agent, the Trustee or a judicially appointed receiver shall be entitled to enter upon, take possession of, operate and manage, and to collect the rents and profits of the Property including those past due. All rents collected by us 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 Agreement. Shearson Mortgage, the Trustee or the receiver shall be liable to account only for those rents actually received.

26. Reconveyance. Upon payment of all sums secured by this Agreement, we shall request Trustee to reconvey the Property and shall surrender this Agreement to Trustee. Trustee shall reconvey the Property you or to the person or persons legally entitled thereto. Such person or persons shall pay all costs of recordation together with Trustee's reconveyance fees.

27. Substitute Trustee. At our option, we may from time to time remove Trustee and appoint a successor trustee. 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.

28. Request for Notices. Your request that copies of the notice of default and notice of sale be sent to your residence address or your address for notices, if different, as set forth above.

29. Statement of Obligation. We may collect a fee of \$15 or such other maximum amount as may be allowed by law for furnishing any statement of obligation, beneficiary's statement or similar document.

30. Default on Senior Deed of Trust. You agree to comply with all the terms and conditions of any deed of trust ("Senior Deed of Trust") prior and senior to the lien of this Agreement. If you default under any Senior Deed of Trust, your default shall constitute a default under this Agreement and shall entitle us, at our option, to exercise any and all rights and remedies we have in the event of a default under this Agreement. In the event of a default on any Senior Deed of Trust, we may at our option, pay on your account any sums required to cure the default, foreclose on the Property either concurrently with the Senior Deed of Trust or, upon cure of default, on this Agreement, redeem the Property from the lien of the Senior Deed of Trust pursuant to the applicable provisions of the Oregon Revised Statutes or bid at the foreclosure sale on the Senior Deed of Trust. Any sums advanced by us to cure your default on the Senior Deed of Trust shall be added to the outstanding balance of your Credit Account and shall be secured by this Agreement.

31. Amendments. We may change the terms of this Agreement at any time and will notify you in writing fifteen (15) days in advance of the effective date of such change. You agree that the then-outstanding balance in your Credit Account and any future loan advances will be subject to any such amendments to this Agreement.

32. Termination of Credit Privileges. Your right to receive loan advances under this Agreement may be terminated by us at any time if you use all or any part of any loan advance, directly or indirectly, for the purpose of purchasing, carrying or trading in securities, if you sell or transfer all or any part of the Property or any interest therein; if you breach any provision of this Agreement (including, without limitation, the "equity" requirement of your Securities Account as provided in Paragraph 3); if the outstanding

balance of your Credit Account falls below \$20,000; or if your credit is no longer acceptable to us. We expressly reserve the right to reevaluate your credit whenever appropriate, and you agree to supply us with whatever information is requested for such credit evaluation. You may terminate your credit privileges at any time upon written notice to us, but such termination does not relieve you of your obligations under this Agreement.

33. Miscellaneous. You, as well as all sureties, guarantors and endorsers of this Agreement severally waive presentment for payment, protest, notice of protest and notice of nonpayment of all payments required under this Agreement, and consent that this Agreement and any payment due or to become due hereunder may be extended or renewed by us without previous demand or notice. You agree that under any such extension or renewal, or pursuant to any assignment of this Agreement to any party not a party hereto, the indebtedness outstanding under this Agreement may be subject to the same interest rates, terms and conditions as those appearing hereto. This Agreement shall be a joint and several obligation of each of you, and all sureties, guarantors and endorsers hereof, and shall be binding upon you, them and you or their heirs, representatives, successors and assigns. The right to plead any and all statutes of limitations as a defense to any demand on this Agreement, or on any guaranty hereof, or to any agreement to pay the same, or to any demand secured by this Agreement, against any of you or any endorsers, guarantors or sureties hereof is expressly waived by each and all said parties. Any married person who signs this Agreement expressly agrees that any and all of his or her property whether acquired before or during marriage will be liable for any and all indebtedness created under this Agreement.

34. Signature. You acknowledge by your signature that you have received a legible, completely filled-in copy of this Agreement which contains disclosure required by the Federal Truth-In-Lending Act.

35. Exempt Credit. The credit advanced pursuant to this agreement is in an amount in excess of \$50,000 and is secured by a lien on real property. You understand and agree, accordingly, that such credit is not subject to the interest rate limitations of the Oregon Revised Statutes, Chapter 725 and Chapter 82, or any other provisions of Oregon law restricting interest rate charges on loan transactions.

Dated this 18th day of November, 19 82.

The below signers are authorized to draw against the Credit Account and are hereby obligated to pay the full amount owed under this Agreement.

(Trustor) Dale O. Woods (Trustor) Karen A. Woods
Dale O. Woods Karen A. Woods

The below signers grant and convey their Property to Klamath County Title Company

for the benefit of Shearson Mortgage, as security for all amounts due under this Agreement.

(Trustor) Dale O. Woods (Trustor) Karen A. Woods
Dale O. Woods Karen A. Woods

Request for Notice of Default

Request is hereby made that a copy of any Notice of Default and a copy of any Notice of Sale under Deed of Trust recorded June 30, 1981 in Vol. M81, Page 11747 Official Records of Klamath County, Oregon, executed by Dale O. Woods and Karen A. Woods, Husband and wife as Trustor, in which Federal Land Bank of Spokane, a corporation of Spokane

is named as Beneficiary, and N/A

as Trustee, be mailed to Shearson/American Express Mortgage Corporation, whose address is 1201 E. Highland Ave., San Bernardino, California 92402.

Signed: Shearson/American Express Mortgage Corporation

By: Kimberly S. Johns
STATE OF OREGON Kimberly S. Johns, Assistant Vice President

COUNTY OF Klamath

On November 22, 1982, before me, the undersigned, a Notary Public in and for said State personally appeared Dale O. Woods and Karen A. Woods known to me to be the persons whose name s are subscribed to the within instrument and acknowledged that they executed the same.

WITNESS my hand and official seal.

Notary Public in and for said State

my commission expires 8-5-83

REQUEST FOR RECONVEYANCE

TO TRUSTEE:

The undersigned is the holder of this Shearson Key Client Credit Account Agreement and Deed of Trust (the "Agreement"). The obligation evidenced and secured by this Agreement, together with all other indebtedness secured by this Agreement, have been paid in full. You are hereby directed to cancel this Agreement, which is delivered hereby, and to reconvey, without warranty, all the estate now held by you under this Agreement to the person or persons legally entitled thereto.

Dated

Exhibit "A"
(Property Description)

17202

A tract of land situated in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 22, Township 38 South, Range 9 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the East line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 22, said point bears N. 00°29'45" E. 816.05 feet from the W 1/16 corner of Sections 22 and 27 of said Township and Range; thence N. 48°37'02" W. 207.88 feet; thence S. 49°33'29" W. 249.37 feet; thence N. 40°26'31" W. 190.00 feet; thence N. 26°21'39" W. 61.86 feet; thence N. 40°26'31" W. 441.33 feet to the North line of said SW $\frac{1}{4}$ SW $\frac{1}{4}$; thence S. 89°53'01" E. 787.17 feet to the SW 1/16 corner of said Section 22; thence S. 00°29'45" W. 510.00 feet to the point of beginning, containing 6.22 acres with bearings based on a solar observation.

3002 (6/82) - (Corporation) First American Title Insurance Company

STATE OF CALIFORNIA
COUNTY OF

Orange

On November 18, 1982

ss.

before me, the undersigned, a Notary Public in and for said State, personally appeared Kimberly S. Johns and

personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons who executed the within instrument as Assistant

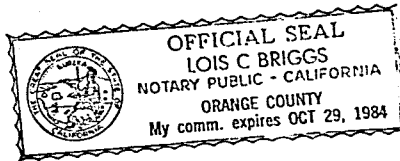
Vice President and Secretary, on behalf of Shearson

American Express Mortgage Corporation
the corporation therein named, and acknowledged to me that such corporation executed the within instrument pursuant to its by-laws or a resolution of its board of directors.

WITNESS my hand and official seal.

Signature

Lois C. Briggs



(This area for official notarial seal)

(Prior Deeds of Trust and other liens)

Mortgage, including the terms and provisions thereof, executed by Dale O. Woods and Karen A. Woods, husband and wife to the Federal Land Bank of Spokane a Corporation in Spokane, Washinton, dated June 18, 1981 recorded June 30, 1981 in Volume M81 page 11747 Mortgage Records of Klamath County, Oregon, to secure the payment of \$140,000.00

STATE OF OREGON; COUNTY OF KLAMATH; ss.

Filed for record .

12:55

this 6 day of Dec. A.D. 19 82 at o'clock A.M., and
duly recorded in Vol. M82, of Mtge on Page 17196

EV. LYN BIEHN, County Clerk

Fee \$32.00

By Joyce McQuinn