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LINE OF CREDIT MORTGAGE  
DEED OF TRUST

The Grantor(s)

CYNTHIA K NELLIPOWITZ

MTC 28165

herein called "Grantor" does hereby irrevocably grant, sell, bargain, and convey to the Trustee hereinafter designated, as Trustee in trust for PACIFIC FIRST BANK, a corporation, as "Beneficiary," with power of sale, the real property hereinafter described and all interest or estate therein which the Grantor has or may hereafter acquire, together with all buildings, improvements, fixtures or appurtenances, including all building materials and equipment now or hereafter delivered to said premises and intended to be erected thereon or placed therein, and all apparatus, equipment, fixtures or articles, whether in single units or centrally controlled units, to supply heat, gas, air conditioning, water, light, power, refrigeration and ventilation, and screens, window shades, storm doors, storm windows, attached floor coverings, screen doors, awnings, built-in stoves, refrigerators, disposal, trash compactors and water heaters (all of which are intended to be and are hereby declared to be part of said real estate), together with all rents, issues and profits of said premises, subject to the right, power and authority hereinafter given to and conferred upon the Beneficiary to collect and apply such rents and profits.

This DEED OF TRUST is given to secure the payment of all loans and advances, if any, as may be made to the Grantor under the terms of an Equity Line Agreement, together with all renewals, modifications, or extensions and interest and other charges thereon.

The maximum amount to be advanced pursuant to the Line of Credit agreement is \$ 35,000.00

The Line of Credit has a stated maturity date of 10 years, which means the Line of Credit maturity date is 09/02/2002

## DESCRIPTION OF PROPERTY AND PROPERTY ADDRESS:

LOT 6 IN BLOCK 6 OF TRACT 1063, 3RD ADDITION TO VALLEY VIEW, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON

The above described property is not used principally for agricultural or farming purposes.

NOTICE IS HEREBY GIVEN THAT THE AGREEMENT GOVERNING GRANTOR'S EQUITY LINE ACCOUNT, PAYMENT OF WHICH IS SECURED BY THIS DOCUMENT, PERMITS BENEFICIARY TO VARY THE INTEREST RATE APPLICABLE TO SUCH ACCOUNT AS STATED IN THE EQUITY LINE AGREEMENT.

TO PROTECT THE SECURITY OF THIS DEED OF TRUST THE GRANTOR AGREES THAT: (1) All buildings now or hereafter erected on the property described herein shall be continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust or, at the option of the Beneficiary, in such greater or lesser amounts as shall be reasonably necessary to preserve the security interests of the Beneficiary. (2) All hazard insurance policies shall be in such companies as the Beneficiary may approve with loss payable first to the Beneficiary as its interest may appear and then to the Grantor. Physical possession of the policy is at the option of the Beneficiary. (3) The Beneficiary, at its option, shall have the authority to act as Grantor's agent to settle and adjust any loss under hazard insurance, and, also at its option, may require that all insurance payments for such loss, over and above the reasonable expense, if any, of procuring the same, be applied to the extent necessary for the restoration of the improvements to their condition prior to the loss. (4) In the event of foreclosure all rights of the Grantor in all policies in force shall pass to the Beneficiary. (5) If this is a construction loan, the Grantor will complete all construction financed hereby within eight months from the date of this instrument. (6) The buildings now on or hereafter erected on the premises shall be kept in good repair, not altered, extended, removed or demolished without written consent of the Beneficiary. (7) The Grantor will pay when due any obligations which may be or may become a lien against the within described premises. (8) At the option of the Beneficiary the Grantor will pay, in the manner prescribed below, all insurance premiums, taxes, assessments and other public charges levied, assessed or charged against the within described property. (9) It is understood that the Equity Line Agreement secured by this Deed of Trust is personal to the Grantor or to any successor in interest approved by the Beneficiary and that the Grantor's personal responsibility, and control of the real property encumbered by this Deed of Trust is a material inducement to the Beneficiary to make the agreement. If title to or control of the property, or any significant portion thereof shall pass from the Grantor or successor in interest by deed or otherwise, including the sale of the property on contract, irrespective of whether such change in title or control affects the risk of the Beneficiary, the Beneficiary may declare the unpaid balance under the agreement immediately due and payable. (10) The Beneficiary can terminate your account and require you to pay the Beneficiary the entire outstanding balance in one payment, and charge you certain fees, if: (a) you commit fraud or make a material misrepresentation at any time in connection with this account. This can include, for example, a false statement about your income, assets, liabilities, or any other aspects of your financial condition, or the use of funds for prohibited purposes; (b) you do not meet the repayment terms of this account; or (c) your action or inaction adversely affects the collateral for the plan or our rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the Property, failure to pay taxes, transfer of title or sale of the Property, creation of a senior lien on the Property without our permission, death of the last remaining Borrower and foreclosure by holder of another lien. If the Beneficiary elects to terminate your account and requires you to pay the Beneficiary the entire outstanding balance this Deed of Trust may be foreclosed in the manner herein provided or in any other manner provided by law as the Beneficiary may elect, subject only to such reinstatement rights as may be provided by law. (11) Upon bringing an action to foreclose this Deed of Trust, the Beneficiary may at any time, without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security of the indebtedness hereby secured, enter upon and take possession of the property or any part thereof and in its own name sue for or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, to reduce the indebtedness secured hereby. (12) The entering upon and taking possession of the property, the collection of rents, issues and profits, or the proceeds of fire and other insurance policies or compensations or awards for any taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. (13) The Grantor will pay the cost of evidencing title and costs, disbursements and attorney's fees actually incurred in any suit which the Beneficiary defends or prosecutes to protect the lien hereof or to foreclose this Deed of Trust, which sums shall be secured hereby. IT IS MUTUALLY AGREED THAT: (14) After and during such period of time prior to the time and date set by the Trustee for the Trustee's sale as may be prescribed by law, this Deed of Trust and the obligation secured hereby may be reinstated by the Grantor or other person then privileged by law to reinstate, in the manner prescribed by law. (15) The Trustee may postpone sale of all or any portion of said property by public announcement at the time and place of sale, and thereafter may further postpone the sale from time to time by public announcement at the time and place fixed by the preceding postponement, for periods of time and for a total period of time not exceeding that permitted by law. (16) Any person, including the

(Continued, other side)

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14902

DEED OF TRUST

Pacific First Bank  
Consumer Loans Service Center  
C/S 2266  
Tacoma, WA 98401Mail To  
Pacific First Bank

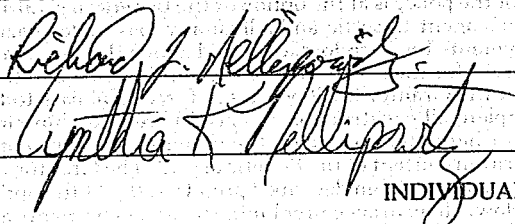
Grantor, Trustees, or Beneficiary, may purchase at the sale unless prohibited by law. After deducting all costs, fees, and expenses of the Trustee and of this trust, including cost of title evidence and reasonable trustee's and attorney's fees actually incurred in connection with sale to the extent permitted by law, the Trustee shall apply the proceeds of sale to the payment of all sums expended under the terms hereof not then repaid, with accrued interest at the rate provided on the principal debt and all other sums then secured hereby, and the remainder, if any, to the person or persons legally entitled thereto. (17) For any reason permitted by law, the Beneficiary may from time to time appoint a successor(s) to any Trustee named herein or to any successor Trustee appointed hereunder. Upon such appointment, and without conveyance to the successor Trustee, the latter shall be vested with all title, powers and duties conferred upon any Trustee herein named or appointed hereunder. Each appointment and substitution shall be made by written instrument executed by the Beneficiary, containing reference to this Deed of Trust and its place of record, which, when recorded in the Office of the County Clerk or Recorder of the County or Counties in which the property is situated, shall be conclusive proof of proper appointment of the successor Trustee. (18) The Trustee accepts this trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. The Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust or of any action or proceeding in which the Grantor, Beneficiary or Trustee shall be a party unless such action or proceeding is brought by the Trustee. (19) This Deed of Trust applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term "Beneficiary" shall mean the holder and owner, including pledgee, of the note secured hereby, whether or not named as a Beneficiary herein.

Designated Trustee MOUNTAIN TITLE COMPANY OF KLAMATH COUNTY

Original debt secured hereby is evidenced by a Line of Credit Agreement of even date in the sum of \$

35,000.00

This Deed of Trust made 09/02/92



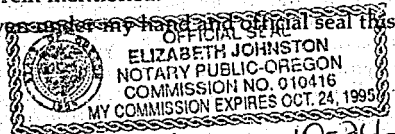
INDIVIDUAL ACKNOWLEDGEMENT

State of

County of

On this day personally appeared before me Cynthia K. Nellipowicz and Richard J. Nellipowicz to me known to be the individual, or individuals described in and who executed the within and foregoing instrument, and acknowledged that he (she, they) signed the same as his (hers, their) free and voluntary act and deed, for the use and purposes therein mentioned.

Given under my hand and official seal this



2062nd day of September, 1992  
Elizabeth Johnston  
Notary Public for the State of  
Residing at

My commission expires 10-24-95

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co. the 10th day  
of Sept. A.D., 1992 at 9:03 o'clock AM., and duly recorded in Vol. M92,  
of Mortgages on Page 20640

FEE \$15.00

Evelyn Biehn - County Clerk  
By Prudence Mueland

Dated: \_\_\_\_\_ By: \_\_\_\_\_

By: \_\_\_\_\_