

THIS DEED OF TRUST is between Larry M. Keown, Jr. and Mary Ann Keown, as  
tenants by the entirety.  
whose address is South Airport Drive, Gilerest, Or. 97737  
("Grantor"); Mountain Title Company, the address of which is 222 S. 6TH St.  
Klamath Falls, Oregon 97601  
and its successors in trust and assigns ("Trustee"); and WASHINGTON MUTUAL SAVINGS BANK, a Washington corporation, the address of which is  
1201 Third Avenue, Seattle, Washington 98101 ("Beneficiary").

1. **Granting Clause** Grantor hereby grants, bargains, sells and conveys to Trustee in trust, with power of sale, the real property in  
Klamath County, Oregon, described below, and all rights and interest in it Grantor ever gets:

See Attached Exhibit "A".

together with: all income, rents and profits from it; all plumbing, lighting, air conditioning and heating apparatus and equipment; and all fencing, blinds, drapes,  
floor coverings, built-in appliances, and other fixtures, at any time installed on or in or used in connection with such real property, all of which at the option  
of Beneficiary may be considered to be either personal property or to be part of the real estate.

All of the property described above will be called the "Property." To the extent that any of the Property is personal property Grantor grants Beneficiary,  
as secured party, a security interest in all such property and this Deed of Trust shall constitute the Security Agreement between Grantor and Beneficiary.

This Deed of Trust shall constitute a fixture filing.

2. **Security** This Deed of Trust is given to secure performance of each promise of Grantor contained herein, and the payment of  
Twenty-thousand and 00/100.

(\$ 20,000.00 ) (called the "Loan") with interest as provided in the Note which evidences the Loan (the "Note"), and any  
renewals, modifications or extensions thereof. It also secures payment of certain fees and costs of Beneficiary as provided in Section 9 of this Deed of Trust,  
and repayment of money advanced by Beneficiary under Section 6 or otherwise to protect the Property or Beneficiary's interest in the Property. All of this  
money is called the "Debt." The final maturity date of the Loan is 11/21/1997

☐ If this box is checked, the Note provides for a variable rate of interest. Changes in the interest rate will cause the payment amount and/or Loan term  
to also change.

3. **Representation Of Grantor** Grantor represents that:

Grantor is the owner of the Property, which is unencumbered except by: easements, reservations, and restrictions of record not inconsistent with the intended  
use of the Property, and any existing mortgage or deed of trust given in good faith and for value, the existence of which has been disclosed in writing to Beneficiary.

4. **Sale Or Transfer Of Property** If the Property or any interest therein is sold or otherwise transferred by Grantor without Grantor's first repaying in full  
the Debt and all other sums secured hereby, or if Grantor agrees to sell or transfer the property or any interest therein without first repaying in full the Debt and  
all other sums secured hereby, the entire Debt shall become immediately due and payable without notice from Beneficiary and bear interest at the Default Rate  
(as that term is defined below) from the date of the sale or transfer until paid in full. In addition, Beneficiary shall have the right to exercise any of the remedies  
for default permitted by this Deed of Trust.

5. **Promises Of Grantor** Grantor promises:

(a) To keep the Property in good repair, and not to move, alter or demolish any of the improvements on the Property without Beneficiary's prior written consent;  
(b) To allow representatives of Beneficiary to inspect the Property at any reasonable hour, and to comply with all laws, ordinances, regulations, covenants,  
conditions and restrictions affecting the Property;

(c) To pay on time all lawful taxes and assessments on the Property;  
(d) To perform on time all terms, covenants and conditions of any prior mortgage or deed of trust covering the Property or any part of it and pay all  
amounts due and owing thereunder in a timely manner;

(e) To keep the Property and the improvements thereon insured by a company satisfactory to Beneficiary against fire and extended coverage perils,  
and against such other risks as Beneficiary may reasonably require, in an amount equal to the full insurable value of the improvements, and to deliver evidence  
of such insurance coverage to Beneficiary. Beneficiary shall be named as the loss payee on all such policies pursuant to a standard lender's loss payable clause; and

(f) To see to it that this Deed of Trust remains a valid lien on the Property superior to all liens except those described in Section 3, and to keep the Property  
free of all encumbrances which may impair Beneficiary's security. It is agreed that if anyone asserts the priority of any encumbrance (other than those described  
in Section 3) over this Deed of Trust in any pleading filed in any action, the assertion alone shall impair the lien of this Deed of Trust for purposes of this Section 5(f).

6. **Curing Of Defaults** If Grantor fails to comply with any of the covenants in Section 5, including compliance with all the terms of any prior mortgage or  
deed of trust, Beneficiary may take any action required to comply with any such covenants without waiving any other right or remedy it may have for Grantor's  
failure to comply. Repayment to Beneficiary of all the money spent by Beneficiary on behalf of Grantor shall be secured by this Deed of Trust. The amount spent  
shall bear interest at the Default Rate (as that term is defined below) and be repayable by Grantor on demand.



7. **Defaults; Sale** (a) Prompt performance under this Deed of Trust is essential. If Grantor doesn't pay any installment of the Loan on time, or if there is a breach of any of the promises contained in this Deed of Trust or any other document securing the Loan, Grantor will be in default and the Debt and any other money whose repayment is secured by this Deed of Trust shall immediately become due and payable in full at the option of Beneficiary. If Grantor is in default and Beneficiary exercises its right to demand repayment in full, the principal balance of the Loan on the day repayment in full is demanded, will bear interest at a rate of fifteen percent (15%) per year (the "Default Rate") from the day repayment in full is demanded until repaid in full, and, if Beneficiary so requests in writing, Trustee shall sell the Property in accordance with Oregon law, at a public auction to the highest bidder. Any person except Trustee may bid at the Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (i) to the expenses of the sale, including a reasonable trustee's fee and lawyer's fee; (ii) to the obligations secured by this Deed of Trust; and (iii) the surplus, if any, shall be distributed in accordance with Oregon law.

(b) Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property which Grantor had or the interest in the Property which Grantor had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. Trustee's deed shall recite the facts showing that the sale was conducted in compliance with all the requirements of law and of this Deed of Trust. This recital shall be prima facie evidence of such compliance and conclusive evidence of such compliance in favor of bona fide purchasers and encumbrancers for value.

(c) The power of sale conferred by this Deed of Trust is not an exclusive remedy. Grantor or any person claiming through Grantor may sue on the Note according to its terms or sue on the Note according to its terms or sue on the Note according to its terms.

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(c) The power of sale conferred by this Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or sue on the Note according to law. Beneficiary may also take such other action as it considers appropriate, including the securing of appointment of a receiver and/or exercising the rights of a secured party under the Uniform Commercial Code.

(d) By accepting payment of any sum secured by this Deed of Trust, Beneficiary shall be deemed to have accepted the sum as full payment of the obligation secured by this Deed of Trust.

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8. **Condemnation; Eminent Domain.** In the event any part of the property covered by this Deed of Trust shall be taken by eminent domain or condemnation, the Beneficiary shall be entitled to the proceeds of the sale of the property so taken, less the cost of the sale and the cost of the legal fees and expenses incurred by the Beneficiary in connection with the sale, and the Beneficiary shall be entitled to the proceeds of the sale of the property so taken, less the cost of the sale and the cost of the legal fees and expenses incurred by the Beneficiary in connection with the sale, and the Beneficiary shall be entitled to the proceeds of the sale of the property so taken, less the cost of the sale and the cost of the legal fees and expenses incurred by the Beneficiary in connection with the sale.

8. **Condemnation; Eminent Domain** In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award, or such portion as may be necessary to fully satisfy the Debt and all other obligations secured by this Deed of Trust, shall be paid to Beneficiary to be applied thereto.

**9. Fees And Costs.** Grantor shall pay Beneficiary's and Trustee's reasonable cost of searching records, other reasonable expenses as allowed by law, and reasonable lawyers' fees; in any lawsuit or other proceeding to foreclose this Deed of Trust; in any lawsuit or proceeding which Beneficiary or Trustee is obliged to prosecute or defend to protect the lien of this Deed of Trust; and in any other action taken by Beneficiary or Trustee is obliged under the Uniform Commercial Code, in any bankruptcy proceeding, and on any appeal from any of the above.

10. **Reconveyance** Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the Beneficiary, including any disposition of the Property under the Uniform Commercial Code, in any bankruptcy proceeding, and on any appeal from any of the above.

11. **Trustee; Successor Trustee** In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary or the person entitled thereto, on written request of Trustee, and upon the recording of such appointment in the mortgage records of the county in which this Deed of Trust is recorded, the successor trustee shall be vested with all powers of the original Trustee. Trustee is not obligated to notify any party hereto of a pending sale under any other deed of trust or of any action or proceeding in which Grantor, Trustee or Beneficiary shall be a party unless such action or proceeding is brought by the Trustee.

12. **Miscellaneous** This Deed of Trust shall benefit and obligate the parties, their heirs, devisees, personal representatives, successors and assigns. The term Beneficiary shall mean the holder of the promissory note secured by this Deed of Trust.

12. **Miscellaneous** This Deed of Trust shall benefit and obligate the parties, their heirs, devisees, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured by this Deed of Trust, whether or not that person is named as Beneficiary herein. The words used in this Deed of Trust referring to one person shall be read to refer to more than one person if two or more have signed this Deed of Trust or become responsible for doing the things this Deed of Trust requires. If any provision of this Deed of Trust is determined to be invalid under law, that fact shall not invalidate any other provision of this Deed of Trust, but the Deed of Trust shall be construed as if not containing the particular provision or provisions held to be invalid, and all remaining rights and obligations of the parties shall be construed and enforced as though the invalid provision did not exist. THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT FOR ANY PURPOSES OTHER THAN THOSE SET FORTH IN THE CREDIT AGREEMENT AND REGULATIONS, BEFORE SIGNING OR AFTER SIGNING OF THIS INSTRUMENT.

THIS INSTRUMENT WILL NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY APPROVED USES.

DATED this 15 day of October, 1993

STATE OF Oregon )  
COUNTY OF Deschutes ) SS:

This instrument was acknowledged before me

on October 15, 1993

and Mary Ann Keown

[illegible]

Notary Public for Oregon

My commission expires: 9/30/92

**REQUEST FOR FULL RECONVEYANCE**  
(Do not record. To be used only when Note has been paid.)

To: TRUSTEE

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the within Deed of Trust. Said Note, together with all other indebtedness secured by this Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of this Deed of Trust, to cancel the Note above mentioned, and all other evidences of indebtedness secured by this Deed of Trust, together with the Deed of Trust, and to convey, without warranty, to the parties assigned by the terms of this Deed of Trust, all the estate now held by you thereunder.

Dated \_\_\_\_\_, 19\_\_\_\_.

Dated \_\_\_\_\_, 19\_\_

Mail reconveyance to



27554

Lot 2 in Block 5 of RIVER WEST, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon, and ALSO a portion of the SE1/4 of Section 25, Township 24 South, Range 8 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a 1/2 inch iron pin marking the Northeast corner of Lot 2, Block 5 of said RIVER WEST; thence South 27 degrees 11' 00" East, 220.00 feet; thence South 62 degrees 49' 00" West, 300.00 feet; thence North 27 degrees 11' 00" West, 220.00 feet to a 1/2 inch iron pipe pin on the Southerly right of way line of North Airport Drive; thence North 62 degrees 49' 00" East along said right of way line 300.00 feet to the point of beginning.

TOGETHER WITH and subject to an easement 30.00 feet in width for ingress and egress adjacent to and Northerly of the South line of the above described property.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Co  
of Oct. A.D., 19 93 at 10:55 o'clock A.M. and duly recorded in Vol. M93 day  
of Oct. of Mortgages on Page 27552  
FEE 20.00  
By Evelyn Biehn - County Clerk  
Evelyn Biehn