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Washington
Mutual
Bank

AFTER RECORDING RETURN TO:

Washington Mutual
Loan Servicing
PO Box 91006 - SAS0307
Seattle, WA 98111

"LINE OF CREDIT MORTGAGE"
LIFELINE/LIFELINE PLUS DEED OF TRUST
(OREGON)

K-49633

Attention: Consumer Loan Review 007-253-604460-253-00003-4

THIS DEED OF TRUST is between **ROBERT W CREED AND KRISTINE A CREED, AN ESTATE**
IN FEE SIMPLE AS TENANTS BY THE ENTIRETY.

whose address is 1205 PACIFIC TERRACE

KLAMATH FALLS OR 97601

("Grantor"); **KLAMATH COUNTY TITLE CO.**, a **OREGON** corporation, the address of which is **422 MAIN ST P.O. BOX 151 KLAMATH FALLS, OR 97601** ("Trustee"); and **Washington Mutual Bank**, a Washington corporation, whose address 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:

LOT 6 BLOCK 52, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEROF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

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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." If any of the Property is subject to the Uniform Commercial Code, this Deed of Trust is also a Security Agreement which grants Beneficiary, as secured party, a security interest in all such property. This Deed of Trust shall constitute a fixture filing, and for that purpose is effective for a period of 5 years.

The Credit Agreement secured hereby has a term of thirty (30) years, with a Maturity Date of **08/07/26**. Notwithstanding the designation of this instrument as a "Line of Credit Mortgage" pursuant to ORS 86.155, this instrument is a Trust Deed.

2. **Obligation Secured.** This Deed of Trust is given to secure performance of each promise of Grantor contained herein or in an a Lifeline/Lifeline Plus Home Equity Line of Credit Agreement with Beneficiary with a maximum credit limit of \$ **100,000.00**

(the "Credit Agreement"), including any extensions, renewals or modifications thereof, and repayment of all sums borrowed by Grantor under the Credit Agreement, with interest from the date of each advance until paid at the rates provided therein. The Credit Agreement provides for a variable rate of interest. Under the Credit Agreement the Grantor may borrow, repay and re-borrow from time to time, up to the maximum credit limit stated above, and all such advances shall be secured by the lien of this Deed of Trust. This Deed of Trust also secures payment of certain fees and charges payable by Grantor under the Credit Agreement, certain fees and costs of Beneficiary as provided in Section 9 of this Deed of Trust, and repayment of money advanced by Beneficiary to protect the Property or Beneficiary's interest in the Property, including advances made pursuant to Section 6 below. All of this money is called the "Debt." The interest rate, payment terms or balance due on the obligations secured hereby may, if Grantor and Beneficiary agree, be indexed, adjusted, renewed or renegotiated.

3. **Representations 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 first mortgage or deed of trust given in good faith and for value, the existence of which has been disclosed in writing to Beneficiary.

4. **Promises of Grantor.** Grantor promises:

- (a) To keep the Property in good repair and not to remove, alter or demolish any of the improvements on the Property without first obtaining Beneficiary's 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 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;
- (f) To keep the improvements on the Property 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 first loss payee on all such policies pursuant to a standard lender's loss payable clause.

5. **Transfer or Further Encumbrance of Property.** Grantor additionally promises not to sell, transfer or further encumber the Property or any interest in the Property.

6. **Curing of Defaults.** If Grantor fails to comply with any of the covenants in Section 4, including 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 rates from time to time applicable under the Credit Agreement and be payable by Grantor on demand.

7. **Remedies For Default.**

(a) Prompt performance under this Deed of Trust is essential. If Grantor doesn't pay any installment of the Debt on time, or any other event occurs that entitles Beneficiary to declare the unpaid balance of the Debt due and payable in full under the Credit Agreement, 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 the Beneficiary, and all unpaid principal will thereafter bear interest at the Default Rate specified in the Credit Agreement. Additionally, if Beneficiary so requests in writing, Trustee shall sell the Property in accordance with Oregon law, at 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 attorney'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.

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(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 had the power to convey at the time of execution of this Deed of Trust and any interest which Grantor subsequently acquired. The 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. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or sue on the Credit Agreement according to law. In connection with any portion of the Property which is personal property, Beneficiary shall further be entitled to exercise the rights of a secured party under the Uniform Commercial Code as then in effect in the state of Oregon.

(d) By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

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 obligation secured by this Deed of Trust, shall be paid Beneficiary to be applied to the obligation.

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 attorneys fees, in any lawsuit or other proceeding to foreclose this Deed of Trust; in any lawsuit or proceeding which Beneficiary or Trustee is obligated to prosecute or defend to protect the lien of this Deed of Trust; and, in any other action taken by Beneficiary to collect the Debt, including without limitation any disposition of the Property under the Uniform Commercial Code, and any action taken in bankruptcy proceedings, as well as any appellate proceedings.

10. **Reconveyance.** Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the obligations secured hereby and written request for reconveyance by Beneficiary or the person entitled thereto.

11. **Trustee; Successor Trustee.** In the event of the death, incapacity, disability or resignation of Trustee, Beneficiary shall appoint in writing a successor 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. The 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 heirs, devisees, legatees, administrators, executors, successors, and assigns of the parties hereto. 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. This Deed of Trust shall be governed by and construed in accordance with the laws of the state of Oregon. If any provision of this Deed of Trust is determined to be invalid, the remaining provisions of this Deed of Trust shall nonetheless remain in full force and effect.

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 at Klamath Falls, Oregon this 2nd day of August 1996.

GRANTOR(S):

STATE OF Oregon
COUNTY OF Klamath

ss.

This instrument was acknowledged before me on

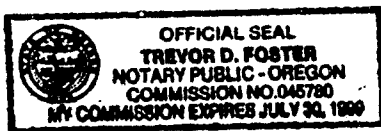
August 2nd 1996.

, by

ROBERT W CREED

and

KRISTINE A CREED



Notary Public for: Oregon

My Commission Expires: July 30, 1999

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 7th day of August A.D. 1996 at 10:49 o'clock AM., and duly recorded in Vol. M96 on Page 24077

FEE \$15.00

Bernetha G Letsch, County Clerk

By [Signature]

by

its

Mail reconveyance to

RECORDING COPY