

2025

Washington Mutual

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Vol. 1, Page 25595

Loan No. 01-253-362467-3

AFTER RECORDING, MAIL TO:

WASHINGTON MUTUAL
Loan Servicing
P.O. Box 91006, SAS0304

Seattle, WA 98111

mtc-388022w

[Space Above This Line For Recording Date]

LINE OF CREDIT INSTRUMENT

SMART CHOICE MORTGAGE SECOND DEED OF TRUST

THIS DEED OF TRUST IS SECOND AND SUBORDINATE TO WASHINGTON MUTUAL BANK
FIRST DEED OF TRUST DATED August 15th, 1996 AND RECORDED UNDER AUDITOR'S FILE NUMBER
RECORDS OF KLAMATH COUNTY, STATE OF OREGON.

THIS DEED OF TRUST is between KEITH L. McDERMOTT and LAVONNE K. McDERMOTT, as tenants by the entirety

whose address is 20715 & 20717 PEACEPIPE IN, CHILQUIN, Oregon 97624

("Grantor"); AMERITITLE

a Oregon corporation, the address of which is 222 SOUTH SIXTH STREET, KLAMATH FALLS, Oregon 97601

and its successors in trust and assigns ("Trustee"); and WASHINGTON MUTUAL BANK

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 interest in it Grantor ever gets:

LOTS 18 AND 19 IN BLOCK 43, FIRST ADDITION TO KLAMATH FOREST ESTATES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

1989 HOMETIE MANUFACTURED HOME, SERIAL #5114

1989 MARLETTE MANUFACTURED HOME, SERIAL #3016

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.

2. **Obligation Secured.** This Deed of Trust is given to secure the repayment of all amounts owing under a Smart Choice Loan Agreement of even date between Grantor and Beneficiary (the "Loan Agreement") as well as the performance of all other obligations of Grantor contained in the Loan Agreement. THE LOAN AGREEMENT PROVIDES FOR MULTIPLE ADVANCES OVER TIME AND FOR A VARIABLE RATE OF INTEREST. IT ALSO PROVIDES FOR NEGATIVE AMORTIZATION AND FOR A VARIABLE LOAN TERM WHICH IN NO EVENT WILL EXCEED 30 YEARS. TAKING INTO EFFECT THE MAXIMUM POSSIBLE NEGATIVE AMORTIZATION, THE MAXIMUM PRINCIPAL AMOUNT THAT COULD BE OWING UNDER THE LOAN AGREEMENT PRIOR TO A DEFAULT IS \$ 68,441.39.

This Deed of Trust is also given to secure performance of each promise of Grantor contained herein, and the 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."

3. Representations of Grantor. Grantor represents that:

- (a) 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 a first lien deed of trust which secures a separate loan from Beneficiary to Grantor; and
- (b) The Property is not used principally for agricultural or farming purposes.

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. 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(a), 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(a)) 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 rate payable from time to time under the Loan Agreement and shall be repayable by Grantor on demand.

7. Default and Remedies.

(a) Prompt performance under this Deed of Trust is essential. If Grantor does not pay any installment of the Debt 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 Debt, 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 total amount owed by Grantor on the day repayment in full is demanded, including unpaid interest, will bear interest at the rate provided in the Loan Agreement from the day repayment in full is demanded until repaid in full, and if Beneficiary so requests in writing, Trustee shall sell the Property under applicable 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 encumbrances 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 Loan Agreement 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 right of a secured party under the Uniform Commercial Code.

(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 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 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 to collect the Debt, including any disposition of the Property under the Uniform Commercial Code.

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 Debt and other obligations secured and upon written request for reconveyance by Beneficiary or the person entitled thereto.

This Deed of Trust is also given to secure performance of each promise of Grantor contained herein, and the 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."

3. Representations of Grantor. Grantor represents that:

- (a) 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 a first lien deed of trust which secures a separate loan from Beneficiary to Grantor; and
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- (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(a), 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(a)) 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 rate payable from time to time under the Loan Agreement and shall be repayable by Grantor on demand.

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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 Loan Agreement 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 right of a secured party under the Uniform Commercial Code.
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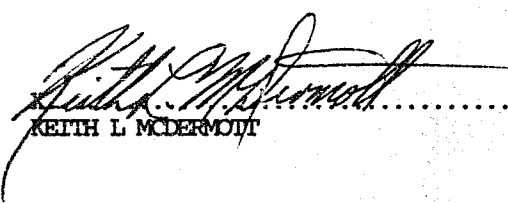
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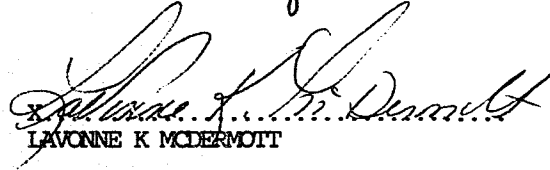
10. Reconveyance. Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the Debt and other obligations secured and upon written request for reconveyance by Beneficiary 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. 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, legatees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the Loan Agreement 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 does 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.

DATED at KLAMATH FALLS, Oregon, this 16th day of August 1996.


KEITH L. McDERMOTT

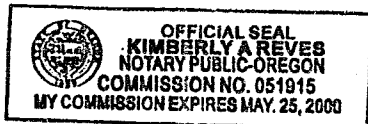

LAVONNE K. McDERMOTT

STATE OF OREGON)
COUNTY OF Klamath) ss.

On this day personally appeared before me KEITH L. McDERMOTT and LAVONNE K. McDERMOTT

to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

WITNESS my hand and official seal this 16 day of August, 1996.



Kimberly A. Reves
Print or Type Name
NOTARY PUBLIC in and for the state of Oregon, residing at
Kimberly A. Reves
My commission expires 5/25/2000

REQUEST FOR FULL RECONVEYANCE

TO: TRUSTEE

The undersigned is the legal owner and holder of the Loan Agreement and all other indebtedness secured by the within Deed of Trust. All 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 reconvey, without warranty, to the parties designated by the terms of this Deed of Trust, all the estate now held by you thereunder.

DATED: _____

WASHINGTON MUTUAL BANK
a corporation,

By _____

Mail reconveyance to _____

1-4 FAMILY RIDER
Assignment of Rents

THIS 1-4 FAMILY RIDER is made this 15th day of August, 1996, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to WASHINGTON MUTUAL BANK, a Washington Corporation (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

20715 & 20717 PEACEPIPE LN, CHILOQUIN, OR 97624
[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings 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 the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Uniform Covenant 18 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

G. ASSIGNMENT OF LEASES. Upon Lender's request after default, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (i) all Rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

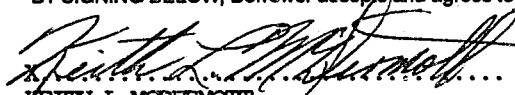
If the Rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Covenant 7.

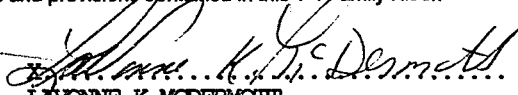
Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all the sums secured by the Security Instrument are paid in full.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.


BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.


KEITH L. MCDERMOTT


LAVONNE K. MCDERMOTT
STATE OF OREGON, ss.
County of Klamath

Filed for record at request of:

After recording, mail to:
WASHINGTON MUTUAL
Loan Servicing
P.O. Box 91006, SAS0304
Seattle, WA 98111

AmeriTitle
on this 19th day of August A.D., 1996
at 3:59 o'clock P.M. and duly recorded
in Vol. M96 of Mortgages Page 25595
Bernetha G Letsch, County Clerk
By  Deputy.
Fee, \$30.00