

AFTER RECORDING RETURN TO: Washington Mutual Loan Servicing PO Box 91006 - SAS0307 Seattle, WA 98111 Attention: Vault

000825423-7

EARL F. EYRE AND BARBARA LEE EYRE AS TENANTS BY THE ENTIRETY.

THIS DEED OF TRUST is between whose address is 1696 PORTLAND ST KLAMATH FALLS OR 97601

("Grantor"); AMERITITLE CORPORATION, the address of which is 222 SO. 6TH ST KLAMATH FALLS, OR 97601 and its successors in trust and assigns ("Trustee"); and Washington Mutual 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 interest in it Grantor ever gets: LOT 14 BLOCK 17, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

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 future filing. 2. Security This Deed of Trust is given to secure performance of each promise of Grantor contained herein, and the payment of Thirty Thousand And 00/100 Dollars

(630,000.00) (called the "Loan") with interest as provided in the Promissory 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 05/27/17

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. Representations of Grantor. Grantor represents that: (a) Grantor is the owner of the Property, which is unencumbered except by: assessments, reservations, and restrictions of record not inconsistent with the intended use of the Property, and any existing mortgage or deed or trust given in good faith and for value, the existence of which has been disclosed in writing to Beneficiary; and (b) The Property is not used primarily 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 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 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.

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7. Default: 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 in 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 the 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, shall 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. 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 expense 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 has the power to convey at the time of execution of the Deed of Trust and any interest which Grantor subsequently acquires. 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 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 prior to 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 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 to collect the Debt, including any disposition of the Property 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 person entitled thereto, on written request of Grantor and Beneficiary, or upon satisfaction of the Debt and other obligations secured 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. 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 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 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 21st day of May, 1997.

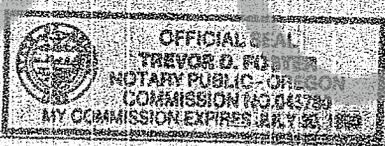
STATE OF Oregon

COUNTY OF Klamath

On this day personally appeared before me EARL F. BYRNE and BARBARA L. EYRE

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 21st day of May, 1997.



Notary Public for Oregon  
residing at Washington Mutual  
My appointment expires July 30, 1998

STATE OF OREGON, COUNTY OF KLAMATH: ss.

Filed for record at request of AJD, Inc on 27th day of May, 1997 at 1:21 o'clock P.M., and duly recorded in Vol. 16055 of Mortgages on Page 16054

FEE \$15.00 By Betha G. Leach, County Clerk

Washington Mutual  
Loan Servicing  
PO Box 91006 - S28030  
Seattle, WA 98111  
Attention: Vault

MTC 41143

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

007-253-604460-253-00012-5

THIS DEED OF TRUST is between **KARL F. BYRE AND BARBARA LEE BYRE AS TENANTS  
BY THE ENTIRETY.**

whose address is **1023 N. ELDORADO AVE**  
**KLAMATH FALLS OR 97601**

("Grantor"): **AMERITITLE** \* **OREGON** corporation, the address of  
which is **222 SO. 6TH ST 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 15, BLOCK 35, HOT SPRINGS ADDITION TO THE CITY OF KLAMATH  
FALLS, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE  
OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.**

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 **05/27/27**. Notwithstanding the  
designation of the instrument as a "Line of Credit Mortgage" pursuant to ORS 88.155, 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  
Lifetime/Lifeline Plus Home Equity Line of Credit Agreement with Beneficiary with a maximum credit limit of **\$ 48,000.00**  
(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 fines 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 8 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  
assessments, 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 repayable  
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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The Trustee shall deliver to the purchaser of the said 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.

(b) The power of sale conferred by the Deed of Trust is not an exclusive remedy. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or file on the Credit Agreement according to law. In connection with any portion of the Property which is pledged 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.

(c) 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.

6. **Confirmation: 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 treated 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. **Assignments.** 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 21st day of May, 1997

GRANTOR(S):

Earl P. Eyre  
Barbara L. Eyre

STATE OF Oregon

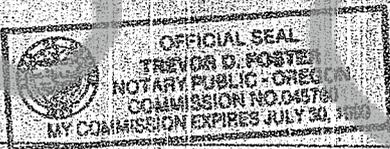
COUNTY OF Klamath

This instrument was acknowledged before me on

EARL P. EYRE

and

BARBARA L. EYRE



Notary Public for Oregon

My Commission Expires: July 30, 1998

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when Grantor's

TO: TRUSTEE

indebtedness has been repaid and Credit Agreement Canceled.

The undersigned is Beneficiary of the within Deed of Trust, and the legal owner and holder of the Lifeline/Lifeline Plus Home Equity Line of Credit Agreement secured thereby. Said Deed of Trust is hereby surrendered to you for reconveyance and you are requested, upon payment of all sums owing to you, to reconvey, without warranty, to the person(s) entitled thereto, the right, title and interest now held by you thereunder.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Ameriti, Inc. the 27th day of May, A.D. 19 97 at 3:44 o'clock P. M., and duly recorded in Vol. M97 of Mortgages on Page 16056

FEE \$15.00

By Bernetha G. Letsch, County Clerk