

AFTER RECORDING RETURN TO:  
 Washington Mutual  
 Loan Servicing  
 PO BOX 91006 - SAS0307  
 Seattle, WA 98111  
 Attention: Vault  
 000877196-6

K-51675

THIS DEED OF TRUST is between LUKE ROBERT KNOWLES and KATHRYN JANE KNOWLES,  
husband and wife, whose address is: 530  
WILLIS LANE  
GILCHRIST OR 97737 ("Grantor"); KLAMATH CO TITLE CO,  
 a OREGON corporation, the address of which is  
422 MAIN 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 and its successors in trust and assignees, in Trust, with power of sale, the real property in KLAMATH County, Oregon, described below, and all 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; and the mobile home referred to below and all its other attachments and accessories, 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 in this Section 1 is called the "Property". To the extent 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 a security agreement between Grantor and Beneficiary.

This Deed of Trust shall constitute a fixture filing and for that purpose is effective for a period of 5 years.

The Property includes a 19 71 X        mobile home, Manufacturer HOMET,  
      , Model HT, Serial Number M046785E.

The mobile home shall be permanently affixed to the real estate and not severed or removed therefrom without the prior written consent of the Beneficiary.

2. **Security.** This Deed of Trust is given to secure performance of each promise of Grantor contained herein and in a security agreement of the same date from Grantor to Beneficiary (the "Security Agreement") and the payment of Forty Two Thousand Seven Hundred Fifty And 00/100  
Dollars (\$42,750.00) (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, 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 12-22-2027.

☐ If this box is checked, the Note secured by this Deed of Trust provides for a variable rate of interest.

**3. Representations of Grantor.** Grantor warrants and represents that:

Grantor is the owner or contract purchaser 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 real estate contract, mortgage or deed of trust given in good faith and for value, the existence of which has been previously disclosed in writing to Beneficiary.

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

(a) To keep the Property in good repair; not to move, alter or demolish the mobile home or any of the other improvements on the Property without Beneficiary's prior written consent; and not to sell or transfer the Property or any interest in the Property in violation of the provisions of Section 5.

(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 real estate contract, mortgage or deed of trust on 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, 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 be deemed to impair the lien of this Deed of Trust for purposes of this Section 4(e); and

(f) To keep the mobile home and other 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, 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. The Amount collected under any insurance policy may be applied upon any indebtedness hereby secured in the same manner as payments under the Note or, at Beneficiary's sole option, released to Grantor. In the event of foreclosure or sale of the Property pursuant to the Trustee's power of sale, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the Sheriff's or Trustee's sale.

**5. Sale or Transfer of Property.** The Loan is personal to Grantor, and the entire Debt shall become immediately due and payable in full upon any sale or other transfer of the Property or any interest therein by Grantor. A sale or other transfer of the Property or any interest therein by Grantor without the full repayment of the Debt shall constitute an event of default hereunder.

**6. Curing of Defaults.** If Grantor fails to comply with any of the covenants in Section 4, including all the terms of any prior real estate contract, 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 specified in the Note 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, the Security Agreement, 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, subject only to the notice requirements of Section 8 below. If Beneficiary exercises its right to demand repayment in full, the principal balance of the Loan, on the day repayment in full is demanded, shall bear interest at the Default Rate specified in the Note 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 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.

(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. Beneficiary may cause this Deed of Trust to be foreclosed as a mortgage or sue on the Note according to law. In connection with any 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. During the pendency of any foreclosure or other realization proceedings, Beneficiary shall also have the right to collect the income, rents, and profits of the Property and apply the amounts so collected toward payment of the Debt in the manner provided in the Note, and shall have the right to secure the appointment of a receiver for the Property, its income, rents and profits.

(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 a 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 in the same manner as payments under the Note.

**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 attorney's 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 or to otherwise protect its security; 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 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. 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. 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 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.

**13. Exemption from Registration and Tiding.** In the event Grantor obtains approval by the State of Oregon to exempt the mobile home from licensing and registration so that the mobile home becomes real property, this Trust Deed shall for all purposes constitute a first lien against the mobile home without further modification or amendment. Grantor will not apply for exemption without obtaining the prior consent of Beneficiary.

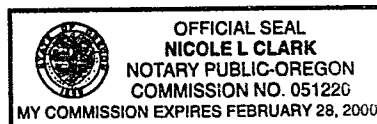
DATED AT KLAMATH FALLS, Oregon

this

19th day of Dec.

GRANTOR(S):

x Sub Robert Knowles  
 x Kathryn Jane Knowles

STATE OF Oregon )

SS.

COUNTY OF KLAMATH )This instrument was acknowledged before me on 12/19/97by LUKE ROBERT KNOWLESand KATHRYN JANE KNOWLES

Notary Public for

Nicole Clark  
OregonMy commission expires 2/28/2000**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 designated by the terms of this Deed of Trust, all the estate now held by you thereunder.

Dated \_\_\_\_\_

Mail reconveyance to \_\_\_\_\_

EXHIBIT "A"  
DESCRIPTION OF PROPERTY

A portion of the NE ¼ of NW ¼ of Section 19, Township 23 South, Range 10 E.W.M., Klamath County, Oregon, more particularly described as follows:

Beginning at a point along the North line of Section 19 from which the North quarter corner bears N 85°47'02" E 396 feet; thence along the North line of Section 19 S. 85°47'02" W 198 feet to a point; thence along a line parallel to the quarter corner section line S 00°19'35" W 220 feet to a point; thence along a line parallel to the North line of Section 19 N 85°47'02" E 198 feet to a point; thence along a line parallel to the quarter corner section line N 00°19'35" E 220 feet to the point of beginning.

SUBJECT TO THE FOLLOWING EXCEPTIONS:

1. An easement created by Instrument, including the terms and provisions thereof;

Recorded : January 18, 1960 in Volume 319, page 543, Deed records of Klamath County, Oregon  
Favor of : Pacific Gas Transmission Company, a California corporation  
For : gas transmission line

Notice of Location, including the terms and provisions thereof,

Recorded : September 28, 1961 in Volume 332, page 577, Deed records of Klamath County, Oregon  
and Recorded : January 17, 1979 in Volume M79, page 1277, Deed records of Klamath County, Oregon

2. Road Maintenance Agreement, including the terms and provisions thereof,

Dated : September 12, 1978  
Recorded : September 27, 1978 in Volume M78, page 21468, Deed records of Klamath County, Oregon  
Between : Donald W. Jocelyn and Anita G. Jocelyn, Jerry M. Mouser and Roxy A. Mouser, and A. J. Willis and Joyce Willis

3. We are informed that a mobile home is situated upon the herein described land. A policy of title insurance does not insure said mobile home or the title thereto, unless the mobile home has been de-titled and is permanently affixed to the land. If this is so and the mobile home is to be insured as part of the realty, please advise us in writing that such insurance is desired with proof that the mobile home is de-titled.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Clerk the 23rd day  
of December A.D., 19 97 at 11:09 o'clock A M., and duly recorded in Vol. M97  
of Mortgages on Page 41634.

FEE \$30.00

By Bernetha G. Letsch, County Clerk  
Kathleen R. Rasmussen