

- 1. **PARTIES:** In this Deed of Trust ("Deed") the words you and your refer to each and all of those who sign this Deed as Grantor. The words we, us and our refer to Beneficial Oregon Inc. d/b/a BENEFICIAL MORTGAGE CO., the Beneficiary of this Deed, whose address is 818 NW WALL STREET BEND, OREGON 97701. The word Trustee refers to BEND TITLE COMPANY whose address is 1195 NW WALL STREET BEND, OREGON 97701. You are RENE G. VERBRUGGE AND VELGA VERBRUGGE. You live at WAGON TRAIL ACREAGES City (Town) of LAPINE, in the County of KLAMATH, Oregon.
- 2. **OBLIGATION SECURED:** We have made you an open-end loan (the "Account") pursuant to a Credit Line Account Agreement (the "Agreement") under which we are obligated to make loans and advances to you, including any initial cash advance, up to the maximum Credit Line of \$ 84,000.00. The Agreement evidences Credit Line Account ("Account") which is repayable in scheduled monthly payments called "Payment Amounts" beginning one month from the date of the Agreement. The Agreement provides for adjustments in the Annual Percentage Rate utilized to calculate the Finance Charge, based on changes in an Index identified in the Agreement. The term or final maturity of the Agreement will be 360 months from the date of the last cash advance or the date there has been a change of rate, whichever first occurs.
- 3. **CONVEYANCE OF PROPERTY:** To secure the prompt payment of the Account, you make this Deed on OCTOBER 14, 1993 with the Trustee and sell and convey to the Trustee, with power of sale, the real property described below (the "Property") in trust for us:
Property: The Property is located in the County of KLAMATH
Its postal address is PO BOX 4010 LAPINE, OREGON 97739, Oregon.
The legal description of the Property is:

LOT 8, BLOCK 2, OF WAGON TRAIL ACREAGES NUMBER TWO, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON.

The Property is improved by buildings erected thereon.

- 4. **USE OF PROPERTY:** The Property is not currently used for agricultural, timber or grazing purposes.
- 5. **OTHER ENCUMBRANCES:** The Property is subject to a prior encumbrance identified as follows:
Name of Lienholder NONE Date _____, 19____ Type of Security Instrument: Deed of Trust Mortgage
Principal Amount \$ _____
Recording Information: Date of Recording _____, 19____
Place of Recording: (check appropriate box)
 Clerk of KLAMATH County Recording Division of Records & Elections of Washington County
 Director of Records and Elections of Benton County Department of Records and Elections of Hood River County
 Recording Dept. of Assessments & Records of Multnomah County Department of Records and Assessments of Lane County
- 6. **ACCOUNT:** You shall pay the Account according to the terms of the Agreement.
- 7. **TITLE:** You warrant title to the Property. To do so, you establish that you own the Property, have the right to give this Deed and are responsible for any costs or losses to us if anyone but you claims an interest in it.
- 8. **LIENS ON PROPERTY:** You shall not allow any type of lien to attach to the Property, whether it be a mechanic's lien, materialmen's lien, judgment lien or tax lien.
- 9. **INSURANCE:** Until you pay your debt, you will insure all buildings on the Property against damage by fire and all hazards (often called "extended coverage.") If we ask, you will get insurance acceptable to us for any other risk that we may reasonably require. We will not require you to insure the Property for more than its full replacement value. You will name us on the policy to receive payment if there is a loss. You will assign and give the insurance policies to us if requested so that we can hold the insurance policies as further security for the payment of your debt. These insurance policies shall include the usual standard clauses protecting our interest.
- 10. **FAILURE TO MAINTAIN INSURANCE:** If you do not maintain this insurance, we can purchase it after we give you any notice the law may require. You will pay us any premiums that we advance to you, plus interest. This Deed secures any such additional advance of monies.
- 11. **INSURANCE PROCEEDS:** If we receive any insurance proceeds as a result of your experiencing loss of the use of the Property and then filing a claim for that loss, we need not pay you any interest on the loss and we can (a) use the proceeds to reduce the balance of your loan, (b) pay you as much of the money as we choose for the single purpose of repairing the Property or (c) use the money for any other purpose we may require.
- 12. **TAXES:** You will pay all the taxes, water or sewer rates or assessments on the Property unless we require you to pay the monies due for these items to us. If you do not pay these charges when due, we can pay them after we give you any notice the law may require. You will promptly reimburse us for any amount we have paid together with interest on the amounts paid. This Deed secures any such amounts we have paid.
- 13. **MAINTAIN PROPERTY:** You shall keep the Property in good condition and repair. You shall not commit any waste.
- 14. **DEFENSE OF PROPERTY:** You shall appear and defend any action affecting the Property, our rights, or the powers of the Trustee. You shall pay, purchase, contest or compromise any interest in the Property including, without limitation, encumbrances, charges or liens which, in our judgment, appear to be superior to this Deed. To protect our interests, we may at your expense pay necessary expenses, employ counsel and pay reasonable attorney's fees. You shall, to the extent allowed by law, pay all costs and expenses, including cost of evidence of title and reasonable attorney's fees, in any action where we may appear.
- 15. **CHANGES:** No building or improvement on the Property will be altered, demolished or removed without our consent.
- 16. **WHEN FULL AMOUNT DUE:** We may, at our option, declare the full amount of your loan due immediately for any of the following reasons:
(a) Failure to Pay as Scheduled: If you do not pay any Payment Amount on your Account on the day it is due.
(b) Failure to Pay Additional Amounts: If you do not pay any tax, water or sewer rate or assessment when it is due.
(c) Failure to comply with this Deed or the Agreement: If you do not do anything you promise to do in this Deed or your Agreement.
(d) Repairs: If you do not keep the Property in good repair, or if it is damaged, or parts of it are removed.
(e) Death: If you should die.
- 17. **SALE OF PROPERTY:** If you default in the payment of the Account, or in the performance of any terms of your Agreement, or in the performance of anything you agree to do in this Deed, we may foreclose this Deed, either by legal action or by advertisement and sale in accordance with the laws of Oregon. You have the right to cure the default within 5 days of the date set by the Trustee as the date of sale, by paying us (a) the entire amount due, (b) the actual costs and expenses we incur, and (c) actual trustee's and attorney's fees, as provided by section 86.753(1)(a) of the Oregon Revised Statutes or as provided by the laws of Oregon in effect at the time cure is effected.
- 18. **BENEFICIARY'S RIGHT TO COLLECT, RETAIN AND APPLY RENTS AND PROFITS:** As additional security for this Deed, you give us the right to collect any rents or profits from the Property. You have the right, prior to any default in payment or performance of the Agreement or this Deed, to collect any rents or profits. Upon any default, we may at any time without any notice, or by a court appointed receiver, and without regard to the adequacy of any security for the loan, enter upon and take possession of all or any part of the Property. We (or any receiver) also may sue for, or otherwise collect, the rents and profits, including those past due and unpaid, and apply them, in any order we may want, less costs and expenses of operation and collection, including, without limitation, reasonable attorney's fees and principal of the loan plus accrued interest. If we take possession of the Property, collect the rents and profits and apply them as provided above, these acts will not cure or waive any default or notice of default given under the Agreement or invalidate any act done in furtherance of any notice.

- 19. **SALE OF PROPERTY:** If you sell the Property voluntarily without obtaining our consent, we may declare as immediately due and payable the Unpaid Balance on the Account plus Finance Charge on that Balance. We will not exercise our right to make that declaration if (1) we allow the sale of the Property because the creditworthiness of the purchaser of the Property is satisfactory and (2) that purchaser, prior to sale, signed a written assumption agreement with us which contains terms we specify including, if we require, an increase in the Finance Charge Rate under the Agreement.
- 20. **PRIOR MORTGAGES OR DEEDS OF TRUST:** You shall pay and keep current the monthly instalments on any prior deed of trust or mortgage and shall prevent any default of the prior mortgage or deed of trust. Should any default be made in the payment of any instalment of principal or any interest on the prior deed of trust or mortgage, or should any suit be filed to foreclose the prior deed of trust or mortgage, you agree the amount secured by this Deed shall be due and payable in full at any time. At our option, we may pay the scheduled monthly instalments on the loan secured by the prior deed of trust or mortgage and, up to the amount we pay, we may become subrogated to the rights of the beneficiary or mortgagee on the prior deed of trust or mortgage. All payments we make on the loan secured by the prior deed of trust or mortgage shall bear interest at the Finance Charge Rate until the amount so paid is paid in full.
- 21. **FUTURE OWNERS:** This Deed shall be binding upon you, your heirs and personal representatives and all persons who subsequently acquire any interest in the Property.
- 22. **PARTIAL RELEASE OF PROPERTY:** At your request, we may release any part of the Property from this Deed. Any release shall not affect our interest or any rights we may have in the rest of the Property.
- 23. **COSTS OF RELEASE:** You shall pay all costs and expenses of obtaining and recording all releases from and of this Deed.
- 24. **CHANGES:** This Deed cannot be changed or terminated except in a writing which we sign.
- 25. **SUBSTITUTION OF TRUSTEE:** If the Trustee resigns, we may appoint a Successor Trustee.
- 26. **NOTICE OF DEFAULT:** We request that a copy of any notice of default and a copy of any notice of sale mailed to you also be mailed to us at the address on the front.
- 27. **COPY:** You acknowledge that you received a true copy of this Deed.
- 28. **SIGNATURE:** You have signed and sealed this Deed on OCTOBER 14, 19 93 in the presence of the persons identified below as "witnesses."

Witness [Signature] (SEAL)
 Witness Phyllis A. Darnall (SEAL)
 Witness [Signature] (SEAL)
 Witness [Signature] (SEAL)

STATE OF OREGON, COUNTY OF DESCHUTES
 On this 14 day of OCTOBER, 19 93
 before me, a Notary Public in and for said State, personally appeared RENE G. VERBRUGGE and VELGA VERBRUGGE
 known to me to be the person(s) whose name(s) ARE
PHYLIS A. DARNALL (is) (are)
 subscribed to the within instrument, and acknowledged to me that they executed the same.
Phyllis A. Darnall
 My Commission Expires 8/26/95
 Notary Public of Oregon

STATE OF OREGON, COUNTY OF Klamath
 I HEREBY CERTIFY That this instrument was filed for record at the request of the Beneficiary at 28 minutes past 3:00 o'clock PM., this day of Oct. 19th, 19 93 in my office, and duly recorded in Book M93 of Mortgages at page 27414.
 Evelyn Biehn, County Clerk
 By Pauline Mullendore Deputy

ACCT. #86595762 0743 Fee \$15.00

DEED OF TRUST (With Power of Sale)
 Dated: OCTOBER 14, 19 93
RENE G. VERBRUGGE
PO BOX 4010
LAPINE, OR 97739 (Grantor)
 TO
MOUNTAIN TITLE COMPANY
222 S. 6TH ST.
KLAMATH FALLS, OREGON 97601 (Trustee)
 and,
Beneficial Oregon Inc. d/b/a
BENEFICIAL MORTGAGE CO.
81 NW WALL STREET
BEND, OREGON 97701 (Beneficiary)
 When recorded mail to:
BENEFICIAL MORTGAGE CO.
P.O. BOX 542
BEND, OR 97709
503/389-4550

REQUEST FOR FULL RECONVEYANCE

_____, Trustee Date: _____, 19____

The undersigned is the legal owner and holder of all indebtedness secured by the foregoing Deed of Trust. All sums secured by that Deed of Trust have been fully paid and satisfied. You hereby are directed to cancel all evidences of indebtedness secured by that Deed of Trust (which are delivered to you herewith together with the Deed of Trust) and to reconvey, without warranty, to the parties designated by the terms of the Deed of Trust the estate now held by you under the same. Mail reconveyance and documents to the office of the holder of the indebtedness presenting this request.

Beneficiary
 Beneficial Oregon Inc. d/b/a
 Beneficial Mortgage Co.
 By _____
 Office Manager