

86707

DEED OF TRUST AND ASSIGNMENT OF RENTS

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DATE OF THIS DEED OF TRUST AND OF THE LOAN TRANSACTION August 19th, 1994	DATE FUNDS DISBURSED AND INTEREST BEGINS TO ACCRUE August 24th, 1994	ACCOUNT NUMBER 3654-407687
BENEFICIARY TRANSAMERICA FINANCIAL SERVICES ADDRESS: 1070 NW Bond Street, Suite 204, Bend, Oregon. 97708		GRANTOR(S): (1) Earl Pearce (2) Priscilla Pearce ADDRESS: 3919 Austin Street, Klamath Falls, Oregon. 97603
NAME OF TRUSTEE: Aspen Title and Escrow, Inc.		

THIS DEED OF TRUST SECURES FUTURE ADVANCES

By this Deed of Trust, the undersigned Grantor(s) (s, if more than one), for the purpose of securing the payment of a Promissory Note of even date in the principal sum of \$ 45,854.38 from Grantor(s) to Beneficiary named above, hereby grants, sells, conveys and warrants to Trustee in trust, with power of sale, the following described property situated in the State of Oregon, County of Klamath:

The Southerly 78.6 feet of Lot 15, Block 5, THIRD ADDITION TO
AUTAMONT ACRES, in the County of Klamath, State of Oregon.

CODE 41 MAP 3909-10CA TL 2130

The final maturity date of the Promissory Note is August 19th, 1997

Together with all buildings and improvements now or hereafter erected thereon and heating, lighting, plumbing, gas, electric, ventilating, refrigerating and air-conditioning equipment used in connection therewith (but not including any apparatus, equipment or articles that constitute "household goods" as the term is defined in the Federal Trade Commission Credit Practices Rule (16 C.F.R. Part 44) as now or hereafter amended), all of which, for the purpose of this Deed of Trust, shall be deemed fixtures of the property above described, all of which are referred to hereinafter as the "Premises".

TO HAVE AND TO HOLD said land and premises, with all the rights, privilege and appurtenances thereto belonging to Trustee and his heirs, executors, administrators, successors and assigns, upon the trusts and for the uses and purposes following and none other.

Grantor also assigns to Beneficiary all rents, issues, and profits of the Premises, reserving the right to collect and use the same with or without taking possession of the premises, during continuance of default hereunder, and during continuance of each default authorizing Beneficiary to enter upon the Premises and/or to collect and enforce the same without regard to adequacy of any security for the indebtedness hereby secured by any lawful means.

FOR THE PURPOSE OF SECURING: (1) Performance of each agreement of Grantor contained herein; (2) Payment of the principal sum with interest thereon at the agreed rate in accordance with the terms and conditions of the mentioned Promissory Note executed by Grantor in favor of Beneficiary, reference to which is hereby made, until paid in full at or before maturity, or as extended or renewed; (3) Payment of any additional amounts, with interest thereon at the agreed rate, as may be hereafter loaned by Beneficiary to Grantor in connection with any renewal or refinancing, but Beneficiary shall not be obligated to make any additional loan(s) in any amount; (4) The payment of any money that may be advanced by Beneficiary to Grantor or to third parties, with interest thereon at the agreed rate, where any such advances are made to protect the security or in accordance with the covenants of this Deed of Trust.

All payments made by Grantor(s) on the obligation secured by this Deed of Trust shall be applied in the following order:
FIRST: To the payment of taxes and assessments that may be levied and assessed against the Premises, insurance premiums, repairs, and all other charges and expenses agreed to be paid by Grantor(s).
SECOND: To the payment of the interest due on said Agreement.
THIRD: To the payment of principal.

TO PROTECT THE SECURITY HEREOF, GRANTOR(S) COVENANTS AND AGREES: (1) To keep the Premises insured in Beneficiary's favor against fire and such other casualties as Beneficiary may specify, up to the full value of all improvements, for the protection of Beneficiary in such manner, in such amounts, and in such companies as Beneficiary may from time to time approve, and to keep the policies thereof properly endorsed, on deposit with Beneficiary and that loss proceeds (less expenses of collection) shall, at Beneficiary's option, be applied or paid to the satisfaction of this Deed of Trust. In the event of foreclosure, all rights of the Grantor in insurance policies then in force shall pass to the purchaser at the foreclosure sale; (2) To pay when due all taxes, liens (including any prior Trust Deeds or Mortgages and assessments that may accrue against the above described premises, or any part thereof, or upon the debt secured hereby, or upon the interest of Beneficiary in the Premises or in said debt, and procure by law for the first interest or penalty to accrue thereon, the official receipt of the proper officer showing payment of all such taxes and assessments; (3) In the event of default by Grantor(s) under Paragraphs 1 or 2 above, Beneficiary, at its option (whether electing to declare the whole indebtedness secured hereby due and collectible or not), may (a) effect the insurance and (c) such disbursements shall be added to the unpaid balance of the obligation secured by this Deed of Trust and shall bear interest from the date of payment at the agreed rate; (4) To keep the buildings and other improvements now existing or hereafter erected in good condition and repair, and to permit Beneficiary to enter at all reasonable times for the purpose of inspecting the Premises, to complete within one hundred eighty days or restore promptly and in a good and workmanlike manner any building which may be constructed, damaged or destroyed thereon; and to pay, when due, all claims for labor performed and materials furnished therefor; (5) That the indebtedness hereby secured, or of any portion thereof, may be extended or renewed, and any portions thereof, without releasing or affecting the personal liability of any person for the payment of said indebtedness or the lien of this instrument upon the Premises for the full amount of said indebtedness then remaining unpaid, and no change in the ownership of the Premises shall release, reduce or otherwise affect any such personal liability or the lien hereby created; and (6) That Grantor is seized of the Premises in fee simple and has good and lawful right to convey the same and that Grantor does hereby forever warrant and will forever defend the title and possession thereof against

IT IS MUTUALLY AGREED THAT: (1) If the said Grantor(s) shall fail or neglect to pay installments on said Promissory Note as the same may hereafter become due, or upon sale or other disposition of the Premises by Grantor(s), or should any action or proceeding be filed in any court to enforce any lien on, claim against or interest in the Premises, then the sums owing by Grantor(s) to Beneficiary under this Deed of Trust or under the Promissory Note secured hereby shall immediately become due and payable at the option of Beneficiary or assignee, or any other person who may exercise all remedies at law and in equity including, but not limited to, the following: (a) waiving the collateral and enforce the Promissory Note; (b) foreclosing this deed judicially; or (c) executing or causing the Trustee to execute a written Notice of Default and of Election To Cause Said Property To Be Sold to satisfy the obligation hereof, and Trustee shall file such notice for record in each county wherein said property or some part or parcel thereof is situated. Beneficiary shall also deposit with Trustee, the Promissory Note and all documents evidencing expenditures secured hereby, whereupon Trustee shall foreclose the Deed of Trust in accordance with Oregon law.

(2) Grantor(s) agrees to surrender possession of the Premises to the Purchaser as provided by law.

(3) Beneficiary may appoint a successor Trustee at any time by filing for recording in the office of the County Recorder of each county in which said property or some part thereof is situated a Substitution of Trustee. From the time such substitution is filed for record, the new Trustee shall succeed to all the powers, duties, authority and title of the Trustee named herein or of any successor Trustee. Each such substitution shall be executed and acknowledged and notice thereof shall be given and proof thereof made, in the manner provided by law.

(4) Upon payment in full by said Grantor(s) of his indebtedness hereunder, Trustee shall reconvey to said Grantor(s) the Premises according to law.

(5) Should the Premises or any part thereof be taken in or on any public improvement or condemnation proceeding, Beneficiary shall be entitled to all compensation, awards, and other payments or relief therefor, to the extent necessary to liquidate the unpaid balance, including accrued interest, of the obligation secured by this Deed of Trust.

AFTER RECORDING RETURN TO TRANSAMERICA FINANCIAL SERVICES P.O. Box 5507, Bend, Oregon. 97708

Address

26391

(3) Should Grantor(s) convey, transfer or dispose of the premises, or any part thereof, without the written consent of Beneficiary being first had and obtained, then Beneficiary shall have the right, at its option, to declare all sums secured hereby forthwith due and payable.

(7) Notwithstanding anything in this Deed of Trust or the Promissory Note secured hereby to the contrary, neither this Deed of Trust nor the Promissory Note shall be deemed to limit on the Grantor(s) any obligation of payment, except to the extent that the same may be legally enforceable and any provision to the contrary shall be of no force or effect.

(8) All Grantors shall be jointly and severally liable for fulfillment of their covenants and agreements herein contained, and all provisions of this Deed of Trust shall be binding upon the heirs, executors, administrators, successors, assigns, and assigns of the Grantors. The singular shall be construed as plural where appropriate. Any Grantor who co-signs this Deed of Trust but does not execute the Promissory Note: (a) is co-grantor of the property under the terms of this Deed of Trust, (b) is not personally obligated to pay the debt secured by this Deed of Trust; and (c) agrees that the Grantor or signer of the Promissory Note may agree to extend, modify, forbear or make any accommodations with regard to the terms of the Deed of Trust or the Promissory Note without that Grantor's consent.

(9) Invalidity or unenforceability of any provisions herein shall not affect the validity and enforceability of any other provisions.

(10) Trustee accepts this Trust when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor(s), Beneficiary, or Trustee shall be a party, unless brought by Trustee.

(11) Grantor shall pay all costs, disbursements, expenses and reasonable attorney fees ("Costs") incurred by Beneficiary in protecting or enforcing the lien of this Deed of Trust whether or not suit or action is actually commenced. Costs include, without limitations, recording fees, cost of title and lien searches, surveys and attorney's fees in negotiations, arbitrations, trials, administrative proceedings, condemnations in proceedings, bankruptcy proceedings and any appeals from any of them. Enforcing the lien of the Deed of Trust includes without limitation conveyances in lieu of foreclosure, actions on the Promissory Note, foreclosure actions, receivership actions and post-judgment collection efforts.

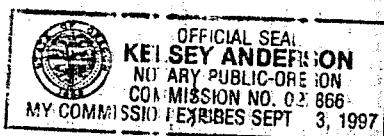
(13) The terms Deed of Trust and Trust Deed are interchangeable.

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IN WITNESS WHEREOF the said Grantor has to these presents set hand and seal this date August 19th, 1994

STATE OF OREGON

County of KLAMATH



Grantor Earl Pearce

Earl Pearce
Priscilla Pearce
Grantor Priscilla Pearce

This instrument was acknowledged before me on the Nineteenth day of August, 1994, by Earl Pearce
and Priscilla Pearce.

Before Me: Thelma Anderson
Notary Public for Oregon

My Commission Expires: 13th September, 1997

TO TRUSTEE:

REQUEST FOR FULL RECONVEYANCE

The undersigned is the legal owner and holder of all indebtedness secured by this Deed of Trust. All sums secured by said Deed of Trust have been paid, and you are requested, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, delivered to you herewith and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, the estate now held by you under the name.

Mail Recovery to:

By

By

Do not lose or destroy. This Deed of Trust must be delivered to the Trustee for cancellation before reconveyance will be made.

SECRET

Granitor.

Authoritarianism

STATE OF OREGON

County of Klamath ss

I certify that the within instrument was received for record on the 24th

received for record on the 24th day of Aug 1994 at 11:00 o'clock A m., and recorded in book 194 on page 26390 Record of Mortgage of said county.

Witness my hand and seal of County affixed.

Evelyn Blehn

County Clerk

Title:

By Pauline Mullendore

Deputy

Feed: \$15.00