

MTC 35295MS

DEED OF TRUST

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 1345 CENTER DR, STE D, MEDFORD, OREGON 97501.
The word Trustee refers to MOUNTAIN TITLE COMPANY of Klamath County, whose address is 222 S 6TH ST., KLAMATH FALLS, OR 97601.
You are EDWARD C BRENNAN AND AVELINA B BRENNAN.
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 \$ 25,000.00. 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 180 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 MAY 10, 19 95 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, Oregon.
The legal description of the Property is:

SEE ATTACHED EXHIBIT "A"

The Property is improved by buildings erected thereon.

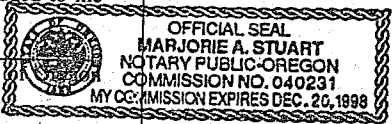
4. **USE OF PROPERTY:** The Property is not currently used for agricultural, timber or grazing purposes.
5. **OTHER ENCUMBRANCES:** The Property is subject to a prior encumbrance identified as follows:
Name of Lienholder _____ Type of Security Instrument: ☐ Deed of Trust ☐ Mortgage
Date _____, 19_____
Principal Amount \$ _____
Recording Information: Date of Recording _____, 19_____
Place of Recording: (check appropriate box) Book No. _____ Page _____
☐ Clerk of _____ 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. Mortgagor warrants that (a) the Property has not been used in the past and is not presently used for hazardous and/or toxic waste, (b) the Property complies with all federal, state and local environment laws regarding hazardous and/or toxic waste, (c) asbestos has not been used as a building material on any building erected on the Property in the past, (d) the property is not presently used for asbestos storage and (e) the Mortgagor complies with all federal, state, and local laws, as well as regulations, regarding the use and storage of asbestos. Mortgagor covenants and agrees to comply with all federal, state, and local environmental laws in the maintenance and use of the Property. Mortgagor warrants that neither the Property nor the loan proceeds were or will be used in illegal drug activity, and the Property is not subject to seizure by any governmental authority because of any illegal drug activity.
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. **ALTERATIONS OR IMPROVEMENTS:** 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. **DEFAULT:** 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.
18. **RIGHT TO CURE DEFAULT:** 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.
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. **PREPAYMENT CHARGE:** A Prepayment Charge may be assessed and collected if you prepay this Account; that is, if you reduce the Principal Balance on the Account to zero and close the Account during the first 60 months that this Account is open. The Charge will be collected at the time the Principal Balance is reduced and will be an amount equal to 6 months' Finance Charge on the average of the Principal Balances for each of the 6 months prior to the closing of the Account at the then prevailing Annual Percentage Rate. This Prepayment Charge may be assessed regardless of whether the prepayment on your Account was voluntary or involuntary.
22. **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.
23. **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.
24. **COSTS OF RELEASE:** You shall pay all costs and expenses of obtaining and recording all releases from and of this Deed.
25. **CHANGES IN DEED:** This Deed cannot be changed or terminated except in a writing which we sign.
26. **SUBSTITUTION OF TRUSTEE:** If the Trustee resigns, we may appoint a Successor Trustee.
27. **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.
28. **COPY:** You acknowledge that you received a true copy of this Deed.
29. **SIGNATURE:** You have signed and sealed this Deed on MAY 10, 19 95 in the presence of the persons identified below as "witnesses."

Witness X
 Witness X

[Signature] (SEAL)
[Signature] (SEAL)
 Grantor

STATE OF OREGON, COUNTY OF KLAMATH
 On this 10th day of MAY, 19 95
 before me, a Notary Public in and for said State, personally
 appeared EDWARD C BRENNAN AND AVELINA B BRENNAN
BRENNAN
 known to me to be the person(s) whose name(s) are
 subscribed to the within instrument and acknowledged to me
 that they executed the same
[Signature]
 My Commission expires: 12/20/98
 Notary Public



STATE OF OREGON, COUNTY OF _____
 I HEREBY CERTIFY That this instrument was filed for
 record at the request of the Beneficiary at _____ minutes
 past _____ o'clock M., this day of _____
 19____ in my office, and duly recorded in Book
 _____ of Mortgages at page _____.

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

EXHIBIT "A" **LEGAL DESCRIPTION**

A tract of land situated in the SE1/4 of Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon and the NE1/4 of Section 1, Township 40 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon and being more particularly described as follows:

Beginning at a point on the South line of the SE1/4 of said Section 36, said point being South 89 degrees 31' 06" East 532.42 feet from the Southwest corner of the said SE1/4 (by Deed Volume M75, page 5012, Deed Records of Klamath County, Oregon), said point also being the East line of the property described in Deed Volume M75, page 4581, Microfilm Records of Klamath County, Oregon; thence North 00 degrees 20' 04" West, parallel to and 70.00 feet Westerly of the East line of the W1/2 SE1/4 of said Section 36, 1864.02 feet to a point 850.00 feet from the North line of the SE1/4 of said Section 36; thence South 89 degrees 50' 53" East, parallel to and 850.00 feet from the North line of the said SE1/4 to the East line of the W1/2 SE1/4 of said Section 36; thence Northerly along said East line 300.00 feet; thence along the following courses as shown on recorded survey no. 1168, as recorded in the Klamath County Surveyor's Office: South 48 degrees 48' 55" East 587.39 feet, South 18 degrees 15' 57" East 480.42 feet, North 89 degrees 35' 55" West 228.16 feet, North 00 degrees 00' 39" East 30.00 feet, North 89 degrees 35' 55" West 360.25 feet to the East line of the W1/2 SE1/4 of said Section 36; thence Southerly along the said East line to the South line of the SE1/4 of said Section 36; thence South 89 degrees 31' 06" East along said South line 356.31 feet to the Northwest corner of that tract of land described in M68-3307 of the Klamath County deed record; thence Southerly along the West line of said described tract of land 428 feet, more or less, to the Northerly right of way line of State Highway No. 66; thence South 57 degrees 40' West along said Northerly right of way line 704.21 feet; thence North 32 degrees 20' West 766.06 feet; thence North 00 degrees 20' 04" West 220.37 feet to the point of beginning, excepting that tract of land deeded to the State Highway Department as described in D.V. 104, page 557 of the Klamath County Deed Records, with the bearings being based on PONDOSA, a duly recorded plat.

The above described tract of land subject to a 30 foot access easement along the following described line:

Beginning at a point on the Northerly right of way line of State Highway No. 66, said point being South 89 degrees 31' 06" East 532.42 feet and South 00 degrees 20' 04" East 220.37 feet and South 32 degrees 20' East 766.06 feet from the Northwest corner of the NE1/4 of said Section 1; thence North 32 degrees 20' West 766.06 feet; thence North 00 degree 20' 04" West 2084.39 feet; thence South 89 degrees 50' 53" East 740.40 feet, more or less, to the East line of the W1/2 SE1/4 of said Section 36.

EXCEPTING THEREFROM a parcel of land situated in the Southeast quarter of Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, and more particularly described as follows:

Beginning at the Southwest corner of Lot 8; thence South 89 degrees 35' 55" East along the South line of Lot 8 a distance of 360.29 feet, more or less, to the East line of the hereinafter described roadway; thence South 0 degrees 00' 39" West along said East line a distance of 30.00 feet; thence South 89 degrees 35' 55" East a distance of 228.16 feet; thence North 18 degrees 15' 57" West a distance of 480.42 feet; thence North 48 degrees 48' 55" West a distance of 587.39 feet, more or less, to a point on the West line of Lot 8, said point being South 0 degrees 17' 52" East, 550.00 feet from the Northwest corner of Lot 8; thence South 0 degrees 17' 52" East along the West line of Lot 8 a distance of 808.90 feet, more or less, to the point of beginning, said roadway being described in that instrument recorded in Volume 101, page 596, Deed Records of Klamath County, Oregon.

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ALSO EXCEPTING THEREFROM a parcel of land situated in the NE1/4 SE1/4 of Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at a point on the West line of said NE1/4 SE1/4 which bears South 0 degrees 17' 20" East a distance of 850.01 feet from the Northwest corner of said NE1/4 SE1/4 said point also being the Southwesterly corner of parcel described in Deed Volume M77, page 22478, Microfilm Records of Klamath County, Oregon; thence continuing South 0 degrees 17' 20" East a distance of 245.0 feet to a point; thence South 89 degrees 35' 55" East a distance of 360.25 feet to the West line of parcel described in Deed Volume M82, page 11220, Microfilm Records of Klamath County, Oregon; thence North along said West line to its intersection with the Southerly line of said parcel described in Volume M77 on page 22478, Microfilm Records of Klamath County, Oregon; thence along said Southerly line North 68 degrees 18' 48" West a distance of 390.82 feet, more or less, to the point of beginning.

ALSO EXCEPTING THEREFROM A tract of land situated in the NE1/4 of the SW1/4 of the SE1/4 of Section 36, Township 39 South, Range 7 East of the Willamette Meridian, Klamath County, Oregon, more particularly described as follows:

Beginning at the SE1/16 corner of said Section 36 as shown on recorded Survey No. 2556, as recorded in the office of the Klamath County Surveyor; thence South 00 degrees 09' 58" East along the East line of the SW1/4 of the SE1/4, 295.16 feet; thence North 89 degrees 55' 18" West; parallel with the North line of said SW1/4 of the SE1/4, 295.16 feet; thence North 00 degrees 09' 58" West, parallel with the said East line of said SW1/4 of the SE1/4, 295.16 feet to the North line of said SW1/4 of the SE1/4; thence South 89 degrees 55' 18" East 295.16 feet to the point of beginning, with bearings based on said recorded Survey No. 2556.

ALSO EXCEPTING THEREFROM that portion described in Deed Volume M94, page 9121, Microfilm Records of Klamath County, Oregon.

ALSO EXCEPTING THEREFROM any portion of the above described tract lying with the bounds of Tract 1189, MISTY MOUNTAIN, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Mountain Title Company the 15th day
of May A.D., 19 95 at 3:53 o'clock P M., and duly recorded in Vol. M95
of Mortgages on Page 12610

FEE \$25.00

By Bernetha G. Letsch, County Clerk
Annette Mueller