## DEED OF TRUST AND ASSIGNMENT OF RENTS Page 21244

DATE OF THIS DEED OF THUST AND OF THE LOAN TRANSACTION	DATE FUNDS DISBURSED AND INTEREST BEGINS ACCOUNT NUMBER FOTHER THAN DATE OF THE TRANSACTION					
7,1,12, 1996	July 17, 1996 3654-409194					
July 12, 1996 BENEFICIARY	GRANTOR(S):					
TRANSAMERICA FINANCIAL SERVICES	(1) Thomas G. Patterson					
ADDRESS: 1070 N.W. Bond St.; Suite 204	(2) Margaret L. Patterson					
CITY: Bend, OR 97701	ADDRESS: 4025 Barry Dr.					
NAME OF TRUSTEE: Aspen Title and Escrow	CITY: Klamath Falls, OR 97603					

## THIS DEED OF TRUST SECURES FUTURE ADVANCES

By this Deed of Trust, the undersigned Grantor(s) (all, if more than one), for the purpose of securing the payment of a Promissory Note of even date in the principal sum from Grantor(s) to Beneficiary named above, hereby grants, sells, conveys and warrants to Trustee in trust, with power of 11,485,50 sale, the following described property situated in the State of Oregon, County of Klamath

Lot 26, DE BIRK HOMES, in the County of Klamath, State of Oregon.

CODE 41 MAP 3909-10DD TL 3300

The final maturity date of the Promissory Note is

July 17, 2001

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 444) 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, privileges 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 such 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 above mentioned Promissory Note executed by Grantor in favor of Beneficiary, reference to which is hereby made, rate in accordance with the terms and conditions of the above 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 rescheduled; (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.

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 tavor against fire and such other casualties as Beneficiary may specify, up to the full value of all improvements, for the protection of Beneficiary and the manner, insuch amounts, and in such companies as Beneficiary may specify, up to the full value of all improvements, for the protection of Beneficiary and that loss proceeds (less expenses of as Beneficiary may specify, up to the approve, and to keep the policies therefor, properly endorsed, on deposit with Beneficiary and that loss proceeds (less expenses of as Beneficiary and that loss proceeds (less expenses of as Beneficiary and the provided of the property endorsed, or not, or to the restoration of said improvements. Such application by Beneficiary collection) shall, at Beneficiary's option, be applied on said indebitedness, whether due or not, or to the restoration of said improvements. Such application by Beneficiary shall pass to the purchaser at the foreclosure sale; (2) To pay when due all taxes, ilens (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 to the Premises or in said debt, and procure against the above described premises, or any part thereof, or upon the debt secured hereby, or upon the interest from the death by Grantor(s) under Paragraphs 1 or 2 above, Beneficiary, at its option (whether electing to declare the whole 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 all said taxes, liens and assessments without determining the validity their original provided for and pay the reasonable premiums and charges therefor; (b) pay indebtedness secured hereby the complete within any original pay of the properties of th

IT IS MUTUALLY AGREED THAT: (1) If the said Grantor(s) sized fall or neglect to pay installments on said Promissory Note as the same may hereafter become due, or upon default in the performance of any agreement hereunder, or upon sale or other disposition of the Premises by Grantor(s), or should any action or proceeding be filed upon default in the performance of any agreement hereunder, or upon sale or other disposition of the Premises by Grantor(s) to Beneficiary under this Deed of Trust or under the Promissory in any court to enforce any lien on, claim against or interest in the Premises, then all sums owing by Grantor(s) to Beneficiary or assignee, or any other person who may Note secured hereby shall immediately become due and payable at the option of Beneficiary on the application of Beneficiary or assignee, or any other person who may Note secured hereby shall immediately become due and payable at the option of Beneficiary may exercise all remedies at law and in equity including, but not limited to, the following: be entitled to the monies due thereon. In the event of such default, Beneficiary may exercise all remedies at law and in equity including, but not limited to, the following: be entitled to the monies due thereon. In the event of such default, Beneficiary may exercise all remedies at law and in equity including, but not limited to, the following: be entitled to the monies due thereon. In the event of such default, Beneficiary may exercise all remedies at law and in equity including, but not limited to, the following: be entitled to the monies due thereon. In the event of such default, Beneficiary may exercise all remedies at law and in equity including, but not limited to, the following: a contract of the promisery in the promis

- (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 filling for recording in the office of the County Recorder of each county in which said property or some part thereof is altuated a Substitution of Trustee. From the time the 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 by reason of 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.

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ALFOR THE THE YOUR WHATE 21245 (6) Should Gramor sell, convey transfer or dispose of the Premises, or any part thereof, without the unities 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) Note that landing anything in this Deed of Trust or the Promissory Note shall be deemed to impose 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 inure to and be binding upon the heirs, executors, administrators, successors, grantees, lessess and assigns of the parties hereto respectively. Any reference in this Deed of Trust but does not execute the Promissory Note: (a) is co-trust of 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-signing this Deed of Trust only to grant and convey that Grantor's interest in the property under the terms of this Deed of Trust; (b) is not personally obligated to pay the sums secured by this Deed of Trust, and (c) agrees that Beneficiary and any other Grantor or signer of the Promissory Note may agree to extend, modify, forbear or make sums secured by this Deed of Trust; and (c) agrees that Beneficiary and any other Grantor or signer of the 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, duty 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 finitiations, recording fees, cost of title and lien searches, surveys and attorney's fees in negotiations, arbitrations, trials, administrative proceedings, condemnation proceedings, bankruptcy proceedings and any appeals from any of them. Enforcing the interest of the Deed of Trust includes without fimitation conveyances in lieu of foreclosure, actions on the Promissory Note, foreclosure actions, receivership actions and post-lieutorisation efforts. (12) The undersigned Grantor(s) requests that a copy of any Notice of Default and of any Notice of Sale hereunder be mailed to him at the address herein before set forth. (13) The terms Deed of Trust and Trust Deed are interchangeable. said Granter has to these presents set hand and seal this date UTWEEC WILEDEOE the OFFICIAL SEAL
RHONDA K. OLIVER
NOTARY PUBLIC-OREGON
COMMISSION NO. 053021
MY COMMISSION EDPIRES APR. 10, 2000 Thomas G. Patterson atterson Margaret L. Patterson STATE OF OREGON 185. County of Klamath 1996 by Thomas G. day of \_ This instrument was acknowledged before me on the Patterson and Margaret L. Patterson My Commission Expires: 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 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, to cancel all evidences of indebtedness, secured by said Deed of Trust, to cancel all evidences of indebtedness, secured by said Deed of Trust, the estate now held by you under 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 Reconveyance to: 94.0 end date Ву Ву Do not lose or destroy. This Deed of Trust must be delivered to the Trustee for cancellation before reconveyance will be made. The third cathology being at the form one by Hotella

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