following described property, alterated in a KLAMATH and restrained an account County, State of OREGON and the contract of the promined that will become due used pertable to referre the engineers of the Gropony constitutings and the the or such edies incomes as LOT 1 IN TRACT 1301 - BASIN VIEW ESTATES, ACCORDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, DOREGON. Door request or Equalicizary and how and after the data of such request, Tausion equiver to post to decomplish, an object to the payments

Together with all the estate, right, title and interest that Trustor now has or may hereafter acquire, either in law or in equity, in and to the property described above; to have and to hold the same, together with all buildings, structures and improvements now or hereafter placed on the property and all allerations, additions or improvements now or hereafter made thereto, together with all tangible personal property, goods, flutures, equipment, machinery, building materials, tools, supplies, appliances and mechanical systems of every nature whether now or hereafter located in, on or used or intended to be used in connection said buildings, structures and improvements or on the property, including without limitation those for the purpose of supplying or distributing healing, cooling, electricity, gas, water, air and light and including without limitation all plumbing, plumbing fixtures, water are supplying or distributing healing, cooling, electricity, gas, water, air and light and including without limitation all plumbing, plumbing fixtures, water healers, timeses, air conditioners, kitchen appliances, light fixtures, awrings, storm windows, storm doors, screens, blinds, shades, curtains, curtain reds, mineral applications and storm applications. rods, mirrors, cabinets, well coverings, rugs, carpeting, floor coverings, telephone equipment, landscaping trees and plants, fences, security systems and outdoor lighting, and all other similar items and goods and all additions and replacements therefor, whether now or hereafter placed on the property or in any of the buildings or improvements thereon, and together with all easements, rights of way, covenants benefitting the property. singular lands, tenements, hereditaments, reversions, remainders, rents, leases, receipts, accounts, contract rights, contracts of sale or other dispositions, instruments, documents, general intengibles, issues, profits, privileges, water rights, water company shares of stock (with all certificates therefor to be delivered to Beneficiary), governmental permits, governmental entitlements, utility deposits and rebates, voting and other rights under any recorded or unrecorded declaration, articles, bylaws, or rules and regulations established by any owners' association or similar entity, declarant and other rights under any recorded or unrecorded covenants, conditions and restrictions, Plans and Specifications, studies, data, tests, reports and dravings, and appurtenances by every kind and nature (treseunto bulonging, relating or in any way appending, or which may be hereafter acquired and used or related to said property, or any part thereof, and together with all proceeds therefrom including without limitation insurance proceeds (all THE THE POLICISE OF SECURE AS IN COMPANY OF THE COMPANY OF PRODUCED AND ASSET OF THE PRODUCED AS of the foregoing shall hercinafter be referred to as the "Property").

ned () Jenje i September

PFIDOTOR

Chinapri's and say of Calmary bed in dealership the sprog and to au \$813048 | ess to sent tabletation to be bus testern for extension of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness, evidenced by a Promissory Note, detect of the indebtedness of the indebtedne other than Tuestor), payeble to the order of Seroficlery at the times, in the manner and with interest as therein set forth, and any extensions, remarks or nodifications thereof (the Note); (2) the payment and performance of all obligations and liabilities of Trustor (and as applicable, remarks) under the terms of that certain Residential Construction Loss Agreement, dated on or about the date herewith (as may be amended or applicable). supplementary, the "Agreement", (3) the performance of each agreement of Trustor sat forth in this Trust Deed; (4) the payment of such additional supplementary, the "Agreement", (3) the performance of each agreement of Trustor sat forth in this Trust Deed; (4) the payment of such additional loans or advinces as bereafter may be made to Trustor of Maker, or their respective successors or easigns, when evidenced by a promissory note or other document reciting that they are secured by this Trust Deed; and (5) the payment of all sums expended or advanced by Beneficiary under or other document reciting that they are secured by this Trust Deed; and (5) the payment of all sums expended or advanced by Beneficiary under one or pursuant to the terms hereof, logether with Interest thereon as herein provided. If the terms of the Agreement provide for more than one disturrence under the Loan (as defined in the Agreement) the principal balance of the indebtedness may increase or decreese in an amount not be exceed the Maximum Principal Amount stated above in accordance visit the terms of the Agreement with the disturbance of the Agreement wit the disturbance of the Agreement with the disturbance of the Ag to exceed the Maximum Principal Amount stated above in accordance with the terms of the Agreement, with the disbursements made under the terms of the Agreement to be considered future advances, and this Trust Deed will secure future advances, as that term is defined by applicable The madmum amount of principla outstanding at any one time 15 to secured by this Trust Deed is the amount of the Madmum Principal Amount outlined above and in the Agreement. The maximum emount of total outstanding advances of principal to be secured by this Trust Deed may increase or decrease, from time to time, by written amendment of this Trust Deed and the Agreement. Upon request of Beneficiary and from and after the date of such request, Trustor agrees to pay to Beneficiary, in addition to the payments of principal and interest payable under the terms of the Note, on the first day of each month until the Note is fully paid, the following sums: An installment of the taxes and assessments levied or to be levied against the Property, and an installment of the premium or premiums that will become due and payable to renew the insurance on the Property covering against loss by fire or such other hazards as required by the Agreement or as may reasonably be required by Beneficiary in amounts, and in a company or companies, satisfactory to Beneficiary. Such installments shall be equal, respectively, to the estimated premium or premiums for such insurance, and taxes and assessments, next due (as estimated by Beneficiary) less all installments stready paid therefor, divided by the number of months that are to elapse before one month prior to the date when such premium or premiums and taxes and assessments will become due. Such added payments shall not be, nor be defined to be, trust funds but may be commingled with the general funds of Beneficiary, and no interest shall be payable in respect thereof. Beneficiary shall use such monthly payments to the extent they will suffice to pay such premium or premiums and taxes and assessments when

ELLET VERT 1539 1118 05 1111588118 AS 10A

Dec(1) 4 (b) 4 (lf monthly payments are required under the Note, all monthly payments mentioned in the preceding subsection (a) of this paregraph 1, and all payments to be made under the Note shall be added together, and the aggregate amount thereof shall be paid each month To on the data specified in the Note for the payment of mentaly installments in a single payment to be allocated by Beneficiary to the following items ... In the order set forth:

September 1. Taxas, assessments, fire and other hazard insurance premiums; ORECON TIMILED (IVEITILE CONEVER)

Inclinterest on and late less with respect to the indebtedness secured hereby;

HOLLA EXTROX RE RAISH ON 37308

FIL Principal of the indebtedness secured hereby. CHYPICE Any tellure to comply with the terms of this partigraph is shall constitute an event of default under this Trust Dead Harr YNORITE TO BE

NOTE: THIS TRUST DEED SECORES A PROMISSORY NOTE WHICH BEARS INTEREST AT A RATE WHICH VARIES ACCORDING TO If the total of the payments made under subsection (a) of paragraph 1 shall exceed the amount of payments actually made by Beneficiary for taxes, assessments, or insurance premiums, as the crise may be, such excess may be released, applied on any indebtedness secured hereby, or be credited by Beneficiary on subsequent payments to be made by Trustor. If, however, the monthly payments made under subparagraph (a) of paragraph 1 shall not be sufficient to pay taxes, and assessments, and insurance premiums, as the case may be, when the same shall become due and payable, then Truster shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when payment of such laxes, assessments, or insurance premiums shall be due. If there shall be a default under any of the provisions of this Trust Deed or the Agreement or the indebtedness secured by this Trust Deed and thereafter a sale of the Property in accordance with the provisions thereof, or if Beneficiary acquires the Property otherwise after detault, Beneficiary at its option may apply, at the time of commencement of such proceedings, or at the time the Property is otherwise sold or acquirect, the balance then remaining in the funds accumulated under subsection (a) of paragraph 1, 36 as a credit egalist the amount of principal than remaining unpeld under the Note or other indebtedness secured hereby.

First subunity pana, MATO PROTECT THE SECURITY OF THIS TRUST DEED, TRUSTOR ACREES:

15

To keep the Property in good condition and repair; not to remove or demolish any building or improvement; to complete or restore promptly and in grood workmanlike manner any building which may be constructed, damaged or destroyed thereon; to comply with all laws, covenants and restrictions affecting the Property including without limitation all applicable local, state and federal laws, rules, regulations and ordinances relating to land use, zoning or protection of the environment, of to the generation, use, storage, removel, transportation, handling or disposal of toxic materials, hezerdous substances, hezerdous waste or other similar materials or substances; not to commit or permit waste on the Property; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary; and, if the terms of the Agreement or the Nixe provide that the loan or loans granted thereby or any part thereof is being obtained for the purpose of financing construction of improvements on the Property, Trustor further agrees:

To commence any construction promptly and to pursue construction with reasonable diligence to completion in accordance with plans and applications are all and applications and applications and applications are all applications ar Vol. MIII. Page. 1821.15

To allow Beneficiary to inspect the Property at all times during construction, and

aps pe (c) o NTo comply with all terms of the Agreement regarding construction on the Property.

the data and expenses reduct the montaine are restain environmental the strain reports court costs, and anomaly uses it seems require, and reports and expenses require, and supports the strain of the provider of the strain of on the imprivements now existing or hareafter constructed or placed on the Property. Such insurance shall be carried in companies approved by Beneficiary with loss payable clauses and mortgages clauses in favor of and in form acceptable to Beneficiary. In the event of a loss, Trustor shall give immediate notice to Beneficiary, who may make proof of loss, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary alone instead of to Trustor and Beneficiary jointly, and the insurance proceeds, or any part thereof, man be applied by Beneficiary, at its option, to the reduction of the indebtechase hereby secured or to the restoration or repair of the damage. In the event that the Trustor shall fall to provide satisfactory hazard insurance within thirty days prior to the expiration of any expiring policy. Beneficiary may procure, on the Trustor's behalf, insurance in favor of Beneficiary alone with Trustor being obligated to reimburse Beneficiary immediately for such costs of insurance cannot be secured by the Trustor to provide the required coverage, or if Trustor tails to reimburse Eeneticiary immediately for the costs of insurance incurred by Beneficiary, such event will constitute an event of default under the terms of this Trust Deed in the event of the foreclosure of this Trust Deed of other transfer of title to the Property in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of the Trustor in and to any insurance policy then in force shall pass to the purchaser of fillauteor including the language of the frustees, and trainteys load the costs of any appreciate conditional and as used as used as used to be an an expensive the costs of t

mey bid at the sale. - thurboughall apply the proceeds of the sale to beliminated (1) the costs and exposus of saledship as give or each 15. 170 deliver to pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as required by the Agreement or as Eeneficiary may require, including policies of title insurance and any extensions or renewals thereof or supplements or endorsements thereto by copied decleration thereof by anoth person at the first and presented for the real function and

salo may, he any region, posipode his sale from time to are to the estirit permitted by law doll it shall the customed and, in every such case, 6. so To appear in and defend any action or proceeding purporting to affect the liens and security interests granted hereby, the title to the Property, or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect to also appear in or defend any such action or proceeding, to pay all costs and expenses, including cost of evidence of title and attorney's fees incurred by Beneficiary and Trustee.

At 14 pays the same of the sam stock and all rents, assessments and charges for water, appurtenant to or used in connection with the Property; to pay, when due, all encumbrances, charges, and liens with interest on the Property or any part thereof, which at any time appear to be prior or superior hereto; to pay all costs, faes, and expenses incurred in connection with this Trust Dead, region appear or degree with a contract of the process are processed to be complete.

percent tale and nassable in his at the ophorist Beneficiery. In the evitarial andication, and obtain only chique of so, superiously to give other 8. Upon an event of default under the Agreement including a default under the Note and including Trustor's failure to make any payment or to do any acit as provided in this Trust Deed, then Beneficiary or Trustee; but without obligation so to do and without notice to or demand upon Trustor and without releasing Trustor from any obligation thereof or under the Agreement, may (i) make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof. Beneficiary or Trustee being authorized to enter upon the Property for such purposes; (ii) commence, appear in and defend any action or proceeding purporting to affect the Property or the rights or powers of Beneficiary or Trustee; (ii) pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and (iv) in exercising any such powers, incur any liability, expend whatever amounts in its absolute discretion it may deem necessary, therefor, including cost of evidence of title and the employment of attorneys to the event of the re-page, after the date of this tries theed, of any law challed from the value of the Report in the Report in the Property in the purposes of laradon,

That the Beneficiary shall have the right to inspect the Property after construction is completed at any and all times during usual business

Benealthus of any defend in acceptance of payment thinks and element thereby after its that date in it, not consist a relieve of any other 10. To pay immediately and without demand kill sums expended hereunder by Beneficiary or Trustee with Interest from date of expenditure until paid at the default rate set forth in the Note or the Agreement. If no default rate is given, such interest shall accrue at the per annum rate set forth In the Note until paid: The repayment of such sums and interest shall be secured hereby. not care by many and colubb as notice of delast betrailder or mark the Arrestrent for the board the column of members, space then define of EIT IS MUTUALLY AGREED THAT: In DOUGLEST OF COMBOURDING TANKING OF SIA PAGED IN SHOULD BE TO THE THREE TRANSPORTERS OF THE PAGE TO SHOULD BE THE THREE THREE TRANSPORTERS OF THE PAGE TO SHOULD BE THREE THR

The cotoring and taking possession of the Property, the appointment of grocorver, the collector (1900) are the largest and property the appointment of grocorver the collector. 11. Should the Property or any part thereof be taken or damaged by reason of any public improvements or condemnation proceeding, or damaged by fire, earthquake, or flood, or in any other manner, Beneficiary shall be entitled to receive independently and solely all compensation, awards; and other payments occrelled therefor, and shall be entitled as its option to commence; appear in and prosecute in its own name; any action or proceedings, or to make any compromise or settlement, in connection with such taking or damage. All such compensation, awards, demages, right of action and proceeds; including the proceeds of any policies of fire and other insurance affecting the Property, are hereby assigned to Beneficiary, who may, after deducting therefrom all its expenses, including attorney's fees, apply the same on any indebtedness secured hereby. Trustor agrees to execute such further assignments of any compensation, award, damages, and rights of action and proceeds as Beneficiary or Trustee may require, or and course upon the requirements abound place the remaining manager than the remaining man

12: At any time and from time to time upon written request of Beneficiary, payment of its fees and presentation of this Trust Deed and the Note for endorsement (in case of full reconveyance, for cancellation and retention), without affecting the liability of any person for the payment of the Indebteriness secured hereby, Trustee may (a) consent to the making of any map or plat of the Property; (b) join in granting any easement or creating any restriction thereon; (c) join in any subordination or other agreement affecting this Trust Deed or the lien or charge thereof; (d) reconvey, without warranty, all or lany part of the Property; and (e) take other or additional security for the payment thereof. The grantee in any preconvitance may be described its "the person or persons entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustor agrees to pay reasonable Trustee's fees for any of the services mentioned in this paragraph. es and Sproteiney gives folice obligates. Truster shill be parmitted to except all such tense assess recovers, and make extract print to such overse.

13.3 5 So long as the indebtedness secured hereby is outstanding. Trustor hereby assigns absolutely to Beneficiary all leases, rents, ilssues, toyablest and große of this Present and of Bry personal property lebraid together now extend in hermanic arterns. Link a default edgess.

royalties, and profits of the Property and of any personal property located thereon, whether now existing or hereafter entsing. Until a default occurs Sec 6933043 in the payment of any indebtedness record hereby or in the performance of any agreement hereunider or an event of default under the Agreement or until Beneficiary gives notice otherwise, Trustor shall be permitted to collect all such rents, issues, royalties, and profits earned prior to such event of default or, as the case may be notice from Bendificary; as they became due and payable. If such an event of default occurs or upon Beneficiary's ribtice. Trustor's privilege to collect any of such moneys and enjoy the benefits of such Property shall cease, and Beneficiary shall have the right, as stated shove, with or without taking possession of the Property to collect all leases, rents, royalties, issues, and profits and enjoy the benefits of such Property. Fallure of or discontinuance by Baneficiary at any time or from time to time to collect any such moneys shall not in any manner effect the subsequent enforcement by Beneficiary of the right, power and authority to collect the same.) Nothing contained herein, nor the exercise of the right by Beneficiary to collect/ shall be of be constited to be, an affirmation by Beneficiary of any tenancy, lease, or option, nor an assumption of liability under, nor a subordination of the lian or charge of this fruit Deed to any such tenancy lease or option of the lian or charge of this fruit Deed to any such tenancy lease or option.

- 14.7116 Upon lany default hereunder or any default under the indebtedness secured hereby or under the Agreement, Beneficiary may at any time without notice, either in: person; by agunt, or by a receiver to be appointed by a sourt (Trustor hereby consenting to the appointment of such receiver without the posting of a bond-or undertaking and consenting to the appointment of Beneficiary as such receiver), and without regard to the value of the Property or the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Property or any part thereof, in its own name sue for or otherwise collect said rents, issues and profits including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine that the leader of the much other method. Beneather than the contract of the contrac Brould be properly in any plat thereof be telepipe thomacell the reason of ear public improved by condendance property or
- 15. The entering upon and taking possession of the Property, the appointment of a receiver, the collection of such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property, and the application thereof shall not cure or walve any default or notice of default hereunder or under the Agreement nor invalidate the rights of Beneficiary upon such default or paid or the colour reso so: that in this Note of the Agricmon. If no details cale is then, such through their resolution has an and note an inch under the natice of default non any act done pursuant to such notice of default nisq percept
- 16. Falluta on the part of Beneficiary to promptly enforce any right hereunder shall not operate as a waiver of such right and the waiver by Beneficiary of any default or acceptance of payment of any sum secured hereby after its due date shall not constitute a waiver of any other
- In the event of the passage, after the date of this Trust Deed, of any law deducting from the value of the Property for the purposes of taxation, subsequent default. any lien thereon; or changing in any way the laws now in force for the jaxation of trust deeds or debts secured by trust deeds, or the manner of the collection of any such taxes, so as to affect this Trust Deed, the indebtedness secured hereby shall immediately become due end payable at the obtion of the Beneficiary (and processes, contest, of pointhicinise any anountrance, charge or alon which in the judgment of either solves: to be cuch pulposes. (a) complexes sulpar in and do suid any social proposeding purposes to 1984 to empiry or to rate it powers or
- 18.0 Time is of the essence hereof. Upon default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, or upon the occurrence of any other default or event of default under the Note or the Agreement, or in the event a receiver or a trustee is appointed for Trustor or Trustor's property; or Trustor makes an assignment for benefit of creditors, or Trustor becomes insolvent, or a petition is filed by or against Trustor pursuant to any provisions of the United States Bankruptcy Code, as amended, all sums secured hereby shall immediately become cue and payable in full at the option of Beneficiary. In the event of such default, and without any obligation on Beneficiary to give notice of such accideration. Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to setisfy, the obligations hereof, and Trustee shall file such notice for record in each county wherein the Property or some part or parcel thereof is studied. Beneficiary also shall, if requested, deposit with Trustee, the Note and all documents evidencing expenditures secured hereby.
- At any time after the lapse of such time as may then be required by law following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law. Trustee, without demand on Trustor, may sell the Property on the date and at the time and place designated in such notice of sale; either as a whole or in separate parcels, and in such order as Beneficiary may request, at public auction to the highest bidder, the purchase price payable in luving money of the United States at the time of sale. The person conducting the sale may, for any reason, postpone the sale from time to time to the extent permitted by law until it shall be completed and, in every such case, notice of postponement shell be given by public declaration thereof by such person at the time and place last appointed for the sale. Trustee shall execute and deliver to the purchaser its Trustee's deed conveying the Property so sold, but without any covenant or warranty, express or implied. The recitals in the Trustee's deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bld at the sale. Trustee shall apply the proceeds of the sale to payment of (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorney's fees; (2) the costs of any appraisals, environmental audits, and evidences of title procured in connection with such sale and any expenses associated with the Trustee's deed; (3) all sums expended under the terms hereof, not then repaid, with accrued interest from the day of expenditure at the default rate set forth in the Note or the Agreement, or, if no default rate is given, at the per annum rate set forth in the Note; (4) all other surps then secured hereby; and (5) the remainder, it any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit or interpleed the balance of such proceeds with the county clerk or a court of the pounty in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in which the sale, took place, per guesses county in the sale, took per guesses county in the sal dundate. In the event has the fronce and middle provide satisficient legand drawings when they again the explication of one explication of exp
  - 20 at Trustor agrees to surrander possession of the Property to the purchaser at the asia immediately after such sale in the event such possession has not praylously, been surrendered, by, Trustor, including our surrest, burgo titletox, seed, Bevertosts, country and any account and account of successive and account of surrendered by, Trustor, including the surrendered by, Trustor, including the surrendered by the surrender
  - Care incheding occurs to acceptant, who was much been one and sacu mentance asserted hereby, including a default under the Note or 21-bug Upon that occurrence, of early default hereunder or any default under the indebtedness secured hereby, including a default under the Note or the Agreement, Beneficiary shall have the option to declare all sums secured hereby immediately due and payable in full and foreclose this Trust Deed in the manner provided by law for the forecksque of mortgages on real property, and Beneficiary shall be entitled to recover in such proceeds all cours and expenses incident thereto including appraisals, environmental audits, title reports, court costs and ettomay's fees in such amount as shall be fixed by he count; with at terms at the Alto-Emeric regarding constraint and the frequency

To sight beindiging to inspect the Plapary at all trade carries construction, and

TOTAL PETDO40R

man 11 6933048

This Trust Deed is intended to be an assignment, accurity agreement and pledge pursuant to the Uniform Commercial Code and other applicable law for any of the forms specified above as part of the Property which, under applicable law, may be subject to an assignment, security interest or pledge pursuant to the Uniform Commercial Code or such other law, and Trustor hereby grants Beneficiary a security interest in the items specified above as part of the Property which are personal property. This Trust Deed is also a financing statement and fixture filing to be recorded in the real estate records of the county in which the Property is located. Trustor agrees that Beneficiary may file this Trust Deed, or a photocopy thereof, in any other jurisdiction or other appropriate index, as a financing statement for any of the items specified above as part of the Property or for any other purpose; in exidition, Trustor agrees to execute and deliver to Beneficiary, upon Beneficiary's request, any other financing statements, as well as extensions, renewals, and amendments thereto, and reproductions of this Trust Deed in such form as Beneficiary may require to partiect a security interest with respect to said terms. Upon Trustor's breach of any covenant or agreement of Trustor contained in this Trust Deed, or after the occurrence of an event of default under the Agreement, including breach of the covenants to pay when one all sums secured by this Trust Deed, Beneficiary shall have the remedies of a secured party under the Uniform Commercial Code and other applicable law and, at Beneficiary's option, may also invoke the remedies provided in this Trust Deed as to such items. In exercising any of said remedies, Beneficiary may proceed against the items of real property and any items of personal property collateral specified above as part of the Property separately or together and in any order whatsoever without in any way affecting the availability of Beneficiary's remedies under the Uniform Commercial Code or of the remedies provided in this Trust Deed and without affecting the personal liability of Trustor (and, as applicable, Maker) under the indebtedness secured by this Trust Deed. Pertions of the Property may constitute goods which are or are to become fixtures on or relating to the improvements constructed on the Property, and this Trust Deed is to be recorded in the real estate records of the county in which the Property is located. Trustor covenants and agrees that, from and after the time of the recording of this Trust Deed, this Trust Deed shall constitute a fixture filing under the Uniform Commercial Code. Information concerning the security interest created hereby may be obtained from Beneficiary. The legal description of the Property in this Trust Deed is the legal description of the real estate upon which any fixtures covered by this Trust Deed are located, and the Trustor is the record owner of such Property. This Trust Deed is a "Construction Mortgage" within the meaning of the Uniform Commercial Code. For purposes of spplying the provisions of the Uniform Commercial Code relating to a "Construction Mortgage", the occurrence of "completion of construction" shall not be deemed to have occurred until completion of all work, and installation or incorporation into the improvements on the Property of all materials for which sums are disbursed under the Agreement and secured by this Trust Deed.

- 23. Beneficiary may appoint a successor trustee at any time by filling for record in the office of the county recorder of each county in which the Property of some part thereof is bituated, a substitution of trustee. From the time the substitution is filed for record, the new trustee shall succeed without notice to all the powers, duties, authority and little of the trustee named herein or of any successor trustee.
- The rights and remedies of Beneficiary under this Trust Deed are cumulative and are in addition to any other remedies provided by law or under the Agreement. The exercise by Beneficiary of one right or remedy under this Trust Deed shall not constitute an election of remedies to the exclusion of other rights and remedies. Trustor hereby walves all claims that Beneficiary marshall assets of Trustor or Maker in collecting the indebtedness secured hereby. This Trust Deed shall apply to, inure to the benefit of, and bind all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. All obligations of Trustor hereunder are joint and several. In this Trust Deed, whenever the content so requires, the mesculine gender includes the femiline and/or neuter, and the singular number includes the plural.
- Trustee accepts this Trust Deed when it is made a public record as provided by law. Trustee is not obligated to notify any party hereto of BY: pending sale under any other trust deed or of any action or proceeding in which Trustor, Beneficiary, or Trustee shall be a party, unless such action or proceeding is brought by Trustee.
- If all or any part of the Property or an interest therein is sold or transferred voluntarily or involuntarily by Trustor (or if a beneficial interest in Trustor is sold or transferred and Trustor is not a natural person or persons but is a corporation, partnership, trust or other legal entity) without Beneficiary's prior written consent, excluding a transfer by devise, descent or by operation of law upon the death of a joint tenant, then Beneficiary may, at Beneficiary's option, declare all the sums secured by this Trust Deed to be in mediately due and payable in full.

Beneficiary agrees to consider consent to a sale or transfer if: (1) Trustor causes to be submitted to Beneficiary information required by Beneficiary to evaluate the transferee; (2) Beneficiary determines that Beneficiary's security will not be impaired and that the risk of a breach of any covenant or agreement in this Trust Deed or the Agreement by resison of the involvement of such transferee is acceptable; (3) interest will be payable on the sums secured by this Trust Deed at a rate acceptable to Beneficiary; (4) changes in the terms of the Note, the Agreement and this Trust Deed required by Beneficiary are made, including, for example, periodic adjustment in the interest rate, a different final payment date for the Note, and the addition of unpeld interest to principe; and (5) the transferee signs an assumption agreement that is acceptable to Beneficiary and that colligates the transferee to keep all the promises and agreements made in the Note, the Agreement and this Trust Deed, as modified. To the extent primitted by applicable law, Beneficiary may also charge a fee as a condition to Beneficiary's consent to any sale or transfer. This paragraph does not limit Beneficiary's absolute discretion to refuse consont and to accelerate the indebtedness secured by this Trust Deed upon a transfer that is not permitted by this Trust Deed.

In the eyent of a permitted transfer, Trustor (or Maker, eache case may be) still continues to be obligated under the Note and this Trust Deed, profesions and small in no way saiset the vasisty of this Trust Doed of this rights of then the confidency hereused unless Beneficiary releases Trustor (or Maker) in writing.

Trustor shall promptly furnish Beneficiary with copies of all lar returns and linancial reports and statements as required by the Agreement or unitally is easy out to said opposite ou to present a fundament as requested by Beneficiary, all prepared in a manner and form and at such times as are acceptable to Beneficiary.

ow of the purpolicion whele each freporty is located, this law of steps to leadings shall govern to such and some 28. seqTrustor hereby agrees to indemnity, defend, and hold hampless. Beneficiary, its successors, assigns, officers, directors, employees and agents against any loss; liability, cost, injury, expense or damage, including without limitation court costs and attorneys fees and expenses, in connection with or arising from the presence, escape, seepage, lealage, spillage, discharge or emission on or from the Property of any hazardous or toxic substances, materials or waste that are or may be regulated by lederal, state or local law. This indemnification (a) shall survive the release,

edipations under this In at Dred and the independency secured meable (c) is not uscared by this Turk Decd. and (d) that he in addition to Scribbaling or salistaction of this fraid Bead or the transfor of the Plopeny encumented hamby. (3) in sections and distinct more the other

PETD06OR

fore cocure or satisfaction of this Trust Deed or the transfer of that Property encumbered hereby, (b) is separate and distinct from the other obligations under this Trust Deed and the indebtedness secured hareby, (c) is not secured by this Trust Deed, and (d) shall be in addition to and other length suggesting the second of the required by leading asset of most law. This indeminishen (a) class surms the releases. controlling with or admig from the lassistice, except a stonage, to stage spillade, discharge or emission on or from the Property of any hazardous 29:172. This Trust Deod: shall but construed according to the laws of the State of Cregon, except that to the extent that the Property or any of it is located justicle of the State of Oregon and enforcement of the provisions of the Trust Dead against the Property requires the application of the

law of the jurisdiction where such Property is located, the law of such jurisdiction shall govern for such enforcement purposes only. sa retinelying paragraphs of brighted the treaties, find tout and by allow pulses as no receivable to green as 30. Notwithstanding erry provision begoin or in the Note, the Latel Bability for payments, in the nature of interest shall not exceed the limits that or uniests Equalicary relegace (fusion gradesor) to within

31, any provision horeof should be held unerforceable or void, then such provision shall be deemed separable from the remaining provisions and shall in no way affect the validity of this Trust Deed or the rights of Beneficiary hereunder. underly light is an peninked by this fresh beauti

32. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be malled to Trustor at the eddress tereinbefore sat forth. The Bound search and change of the search and the sound of the s

TO A SPICITION OF ASSETTING TO RESOLUTE THE DECEMBER OF OREGON. LAW, MOST AGREEMENTS, PROMISES AND COMMITMENTS, MADE BY FIRST, SECURITY BANK OF OREGON. AFTER CCTOBER 3, 1980 CONCERNING LOAMS AND OTHER CREDIT EXTENSIONS WHICH ARE NOT FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES OR SECURED SOLILY BY THE BORROWER'S RESIDENCE MUST BE IN WRITING, EXPRESS CONSIDERATION AND SIGNED BY THE GARK TO BE ENFORCEABLE USE OF STREET OF STREET

denotifierly to evaluate the densitiese; (2) Bonefletary determine that elemendary's society wit not the the densities and that has of a protect of any Earleft, agrocant consider consant to a tab of transfer of (1) Thursa causes to be submitted to henelcoary meant to required by

## SIGNATURE OF TRUSTOR: NORTH HILLS, E.L.C., AN OREGON LIMITED LIABILITY COMPANY

Trusted is fold on transferred and studies in the a tabletal person on strengths but are controlled the transferred over the second without its fold on the fold of the fold o it alt oc any post et the trainerly oc an interest though he cold or impletored schalachtes inclusively to trainer for the bornship interest in

action la expossating à prostitul est Thibras שונים גם משום וווונה לשם מפטח פולים לוני סטבם NO W BY:

phise frames Beneficiary or littles about to a party united author Minerapon of the Turners in the continue a mouth the forth paters of

distraction is a standard of the literature granter and the streamst respect the burst the party administrates, executors, south seasons, and seasons. All obligations of Intelnitable and John and seasons, to this true, Dead, with new the business and seasons and seasons.

indebto annals, pocured terricol. This Tuest Doedt shall spirif to, mare it that beneat that that all beneat the product the mare regalects, devisions exclusion of other raphs tettl remission. Trustor herotor mayes all claims that Beneficiary marshall used a finalist in Maker in collecting the color the Appending the mercles by Beneficiary of the right of remoty under the Trust Deep stell but paramote an election of camodics to the The holds and remedes of Beheliclery under this Triest Doed are constitution and are in addition to any other sense ten provided by law or

MILEON LANGE TO THE DOLLAR Minarry evu ada of the trustes clerned benefic ex of any susceeder trustée.

And Metas. Fred the tabulation is liked for report, the new thisten shell implied in the many grass of the contract the contract property of their contract to second

incorporation into the knotchetherist on the Property of all manages for yields against as distrance under the Acrosmost and excured by this frust Mongage, the contract of compatible of construction that set on prefered to have occurred and completion of his work, and ensignation of mounted of the Universal Commissions. Come For purposes of spoken the discussions of the Content Commissions Commission to a "Construction this Taid Oded are board, and the fusions iffinitished benef of tank Property. This Taid Dead is a "Constructor Medgade" withis the Beneficiary. The logal descriptor of the Property in this Trass Oped in this lagar description of the real enactions which any likeway described by covergent a lating lines and the United Compactation RECONVEYANCE by interest of section ment of an interest boar the Preparet Tiplic cevents and the relating 1) BM improvements characters on the Proporty indights that Dark's 10 to seconded to the real agree resolution of the Teles Darie shall the true of the meanth in a later than the desired that the break that the property is a property in the property of the resolution of the Teles Darie shall the Property in Property in Property in the property of the resolution of the Teles Darie shall the Property in Property in the CHECK THE TOPE TRUSTEE and promit their coordinates of the Sidney's man course to the first of the course increase of the Commardia clode or of the rededies provided into finite speed and without allegates personal passing by trainer and removement, brewin The undersigned is the holder of the note or notes secured by the page Deed of Trust said note or notes together with all the other indebtedness secured by this Deed of Trust have been paid in full ion makon are hereby directed to cancel said note or notes and this beed without of Trust, which are delivered hereby, and to reconvey, without appeared warranty, wall the estate now sheld obysiyou winder this Deed of Trust and less Lucion the person or persons legally entitled thereto served a draw served served photocopy, the soi, in any other latection of other appropriate many, as a subscript diagonality and on the cases appointed as part of the recorded in the roal estate testeds in the count. In which the Property is localized from the first fine from their, one Heme spendied above as han of the property which are plantinal property. The Prust Lood is also a success, state and each later when the bring to be subspace Officer, First Security Bank, N.A. den much subscilled avis plate, to an estimate someth This Titled Deed is Intended to by an assignment, sensitive egrections and bledge pursuent to the Unitorn Commercial Code and other

STATE OF OREGON County of DESCHUTES	}}ss.				
BE IT REMEMBERED, That on this undersigned, a Notary Public in and for s RICHARD ROBERTSON, MRMBER, A NORTH HILLS L.L.C.	aid County and Sta	te, personally appe	ared the within nan		me, the
known to me to be the identical individue me that THEY executed the sar IN TESTIMONY WHEREOF, I have written.	ne freely and volun	tarily.			
OFFICIAL SEAL JULIE A BEST NOTARY PUBLIC - OREGON COMMISSION NO. 051603 MY CHARLES ME FREE MAY 1, 2000	<b>1</b>	ALL My/Commission exp		Ordry Public for (	Oregon.
IATE OF OREGON: COUNTY OF KLAMA	TH: ss.				
led for record at request of Klaw SEptember A.D., 19 97	_ai 3:13	o'clock PN	f., and duly recorde	30th d in Vol. <u>M97</u>	da
of <u>Mort</u> BE	gages	on Page	Bernetha G. Letso	ch, County Clerk クロノ	