

TRUST DEED AND RETENTION AGREEMENT	
Stephanie M. MacPhee 1783 Wiard Street Klamath Falls, Or 97603	M05-71462 Klamath County, Oregon 12/20/2005 02:46:22 PM Pages 3 Fee: \$31.00
Grantor's Name and Address	
Federal Home Loan Bank of Seattle 1501 Fourth Avenue Seattle, WA 98101-1693	
Beneficiary's Name and Address	
After recording, return to:	
Home\$tart Administrator Federal Home Loan Bank of Seattle 1501 Fourth Avenue Seattle, WA 98101-1693	

FEDERAL HOME LOAN BANK OF SEATTLE

Trust Deed and Retention Agreement

THIS TRUST DEED AND RETENTION AGREEMENT ("Agreement") is made this 16th day of December, 2005 between: Stephanie M. MacPhee ("Grantor"), whose address is, 1783 Wiard Street, Klamath Falls, Or 97603 and Bank of the Cascades ("Trustee"), whose address is 1070 NW Bond Street Bend, OR 97701; and The Federal Home Loan Bank of Seattle ("Beneficiary") whose address is 1501 Fourth Avenue, Suite 1900, Seattle, Washington 98101-1693.

TRUST DEED PROVISIONS. Grantor irrevocably grants, bargains, sells and conveys to Trustee in Trust, with power of sale, the following described real property ("Property") in Deschutes County, Oregon:

Lot 10 of YALTA GARDENS, According to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

This Agreement is for the purpose of securing performance of Grantor's agreements set forth herein. Trustee shall reconvey the Property to the person entitled thereto on written request of Grantor and Beneficiary, or upon satisfaction of Grantor's obligations and written request for reconveyance made by Beneficiary or the person entitled thereto. Upon default by Grantor in the performance of any agreement contained herein and upon written request of Beneficiary, Trustee shall sell the Property at public auction to the highest bidder. Any person except Trustee may bid at Trustee's sale. Trustee shall apply the proceeds of the sale as follows: (1) to the expense of the sale, including a reasonable Trustee's fee and attorney's fee; (2) to the obligation secured by this Agreement; (3) the surplus, if any, shall be distributed to the persons entitled thereto. Trustee shall deliver to the purchaser at the sale its deed, without warranty, which shall convey to the purchaser the interest in the Property that Grantor had the power to convey. Trustee's deed shall recite the facts showing

**Federal Home Loan Bank of Seattle – Affordable Housing Program
State of Oregon**

31.00
~~31.00~~

that the sale was conducted in compliance with all the requirements of law and of this Agreement, which recital shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value. The power of sale conferred by this Agreement and by law is not an exclusive remedy. If necessary Beneficiary may appoint a successor trustee, and upon the recording of such appointment the successor shall be vested with all powers of the original trustee. This Agreement is binding on the parties and their successors.

RETENTION AGREEMENT. Beneficiary has issued a \$5000.00 Home\$tart Plus Program Grant ("Grant") to assist Grantor in purchasing the Property. Federal regulations (12 CFR Part 951) restrict Grantor's ability to sell, lease, or refinance the Property, to ensure the Grant is used only for housing retained as "affordable housing" and as Grantor's primary residence for at least five years from the date this Agreement is recorded ("Retention Period"). Grantor agrees to notify Beneficiary in writing received at least two weeks prior to any sale, lease or refinancing of the Property occurring during the Retention Period. Grantor may notify Beneficiary by either hand-delivery or certified mail, return receipt requested, at the address set forth above, Attention: Home\$tart Administrator. If Grantor sells, leases or refinances the Property during the Retention Period, Grantor must repay to Beneficiary all or a portion of the Grant, without interest, in an amount calculated by Beneficiary equal to the Grant amount multiplied by the percentage of the Retention Period remaining as of the closing of such transaction. Grantor shall not be required to repay any portion of the Grant if: (a) Grantor refinances and the Property remains subject to the encumbrance created by this Agreement; or (b) Grantor's interest in the Property is divested via foreclosure of a lien or mortgage senior to this Agreement. Grantor is not required to repay an amount exceeding the net gain realized on a sale of the Property after deduction of sales expenses. Grantor shall not be required to repay any portion of the Grant if the Property is sold to a person eligible to participate in the Home\$tart Program, but only if: (a) such person's purchase of the Property is not partially financed with the proceeds of a Home\$tart Program Grant; (b) such person assumes the obligations under this Agreement, which assumption shall not be valid or recognized unless Beneficiary gives its PRIOR written approval to such assumption; and (c) the Property continues to be subject to this Agreement.

GRANTOR(S):

Stephanie M MacPhee
Stephanie M. MacPhee

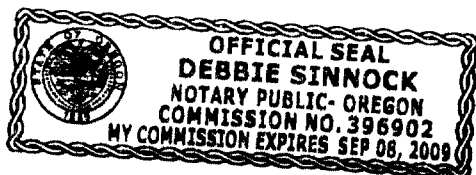
STATE OF OREGON)

COUNTY OF Klamath)

ss.

I certify that I know or have satisfactory evidence that Stephanie M. MacPhee is/are the person(s) who appeared before me on this date, and said person(s) acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes stated therein.

Date: 12-15-05



Name: Debbie Sinnock
NOTARY PUBLIC, State of Oregon

Residing at _____

My appointment expires 9-8-09

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when obligation has been met.

TO: TRUSTEE,

The undersigned is the legal owner and holder of the indebtedness secured by the within Trust Deed and Retention Agreement. Said indebtedness has been fully paid and satisfied, and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Trust Deed and Retention Agreement, to cancel all evidences of indebtedness secured by said Trust Deed and Retention Agreement and to reconvey, without warranty, to the parties designated by the terms of said Trust Deed and Retention Agreement, all the estate now held by you thereunder.

Dated _____, 20____

Mail reconveyance to:

Home\$tart Administrator
Federal Home Loan Bank of Seattle
1501 Fourth Avenue
Seattle, WA 98101-1693