.____, as Trustee, and

FUNIK NU. 661 - I NUD I DEED (ASSIGNMENT RESTRICTED) © 1988-2003 STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR www.stevensner NO PART OF ANY STEVENS-NESS FORM MAY BE REP M06-05547 Klamath County, Oregon TRUST DEED 03/24/2006 03:40:13 PM Pages 2 Fee: \$26.00 SIERRA DEVELOPMENTS, LLC Grantor's Name and Address JOHN SHAMA SPA JOHN L.SHAMA REC After recording, return to (Name, Address, Zip): CASCADE TITLE & ESCROW COMPANY P.O. BOX 1476 EUGENE, OR, 97440 By _____, Deputy. 15+ 788111 THIS TRUST DEED, made on ___MARCH 21, 2006 SIERRA DEVELOPMENTS, LLC CASCADE TITLE & ESCROW COMPANY ---- as Grantor.

WITNESSETH: Grantor irrevocably grants, bargains, sells and conveys to trustee, in trust, with power of sale, the property in KLAMATH County, Oregon, described as:

Lot 20, Tract 1383 , Sierra Heights, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Grantor warrants, represents and covenants that there is and has been no discharge or disposal on the property of any hazardous or toxic wastes or substances (as such terms are defined by any applicable federal, state or local governmental law, rule, ordinance, or regulation) or contamination of the property by any such substances.

together with all and singular the tenements, hereditaments and appurtenances and all other rights thereunto belonging or in any way now or hereafter appertaining, and the rents, issues and profits thereof, and all fixtures now or hereafter attached to or used in con-

nection with the property.
FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of ONE HUNDRED

SEVENTY THOUSAND AND 00/100.

SEVENTY THOUSAND AND 00/100.

Dollars, with interest thereon according to the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payament of principal and interest, if not sooner paid, to be due and payable on APRIL 1, 2007

The date of maturity of the debt secured by this instrument is the date, stated above, on which the final installment of the note becomes due and payable. Should the grantor either agree to, attempt to, or actually sell, convey, or assign all (or any part) of the property, or all (or any part) of grantor's interest in it without first obtaining the written consent or approval of the beneficiary, then, at the beneficiary's option*, all obligations secured by this instrument, irrespective of the maturity dates expressed therein, or herein, shall become immediately due and payable. The execution by grantor of an earnest money agreement** does not constitute a sale, conveyance or assignment.

JOHN SHAMA and JOHN L. SHAMA

sale, conveyance or assignment.

To protect the security of this trust deed, grantor agrees:

1. To protect, preserve and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; and not to commit or permit any waste of the property.

2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed therefore.

2. To complete or restore promptly and in good and nathable condition any building or improvement which may be constituted, damaged or destroyed increase, and pay when due all costs incurred therefor.

3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property; if the beneficiary so requests, to join in executing such financing statements pursuant to the Uniform Commercial Code as the beneficiary may require, and to pay for filing the same in the proper public office or offices, as well as the cost of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and other hazarder.

or offices, as well as the cost of all tien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.

4. To provide and continuously maintain insurance on the buildings now or hereafter erected on the property against loss or damage by fire and other hazards, as the beneficiary may from time to time require, in an amount not less than 5. PULL. AMOUNT

companies acceptable to the beneficiary, with loss payable to the latter. All policies of insurance shall be delivered to the beneficiary as soon as issued. If the grantor ance now or hereafter placed on the buildings, the beneficiary may procure the same at grantor's expense. The amount collected under any fire or other insurance policies may be applied by beneficiary upon any indebedness secured hereby and in such order as beneficiary any determine, or at option of beneficiary the or other insurance policies of any part thereof, may be released to grantor. Such application or release shall not cure or waive any default not ontice of default hereunder or invalidation and the property before any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidation and the payment of any taxes, assessments and other charges becomes past due or definquent and promptly deliver receipts therefor to beneficiary should be grantor fail to make payment of any taxes, assessments insurance premiums, lines or other charges payable by grantor, either by direct payment or by providing forth in the note secured hereby, together with the obligations described in paragraphs 6 and 7 of this trust deed, shall be added to and become a part of the debt secured by this trust deed, without waiver of any rights arising from breach of any of the covenants hereof. For such payments, with interest at alloresaid, the property hereinbefore described, as well as the grantor, shall be bound to the same extent that they are bound for the payment or the obligation herei

NOTE: The Trust Deed Act provides that the trustee hereunder must be either an attorney who is an active member of the Oregon State Bar, a bank, trust company or savings and loan association authorized to do business under the laws of Oregon or the United States, a title insurance company authorized to insure title to real property of this state, its subsidiaries, affiliates, agents or branches, the United States or any agency thereof, or an escrow agent licensed under ORS 696.505 to 696.585.

**The publisher suggests that such an agreement address the issue of obtaining beneficiary's consent in complete detail.



At any time, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in

9. At any time, and from time to time upon written request of beneficiary, payment of its fees and presentation of this deed and the note for endorsement (in case of full reconveyances, for cancellation), without affecting the liability of any person for the payment of the indebtedness, trustee may (a) consent to the making deed or the lien or charge thereof; or (d) receivey, without warranty, all or any part of the property. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Trustee fees for any of the 10. Upon any default by grantee in enterunder, beneficiary may, at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, name sue or otherwise collect the road, see and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, used and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, using or distinguished the property, the collection of such reast, issued apply the same, less costs and expenses of operation and collection, including reasonable attorney fees, using or distinguished the application or release thereof as aforesaid, shall not cure or waive any default on notice of default hereunder, or invalidate any act domestees secured hereby or in grantor's performance of proceeds to foreclose this trust deed in equival to the proceeds of free and other insurance political or proceed to foreclose this trust deed in equival to the proceeds of the proceeds of the property and the application or release thereof as aforesaid, shall not cure or waive any default or proceed to foreclose this trust deed in equival to the proceeds of the proceeds of fire and other insurance political or proceed to foreclose this trust deed i

sequent to the interest of the trustee in the trust deed as their interests may appear in the order of their priority; and (4) the surplus, if any, to the grantor, or to any successor in interest entitled to such surplus.

16. Beneficiary may, from time to time, appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon or appointment, and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named or appointed hereunder. Each such appointment and substitution shall be made by written instrument executed by beneficiary, which, when recorded in the mortgage records of the county or counties in which the property is situated, shall be conclusive proof of proper appointment of the successor trustee.

17. Trustee accepts this trust when this deed, 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, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

any party hereto of pending sale under any other deed of trust or of any action or proceeding in which grantor, beneficiary or trustee shall be a party unless such action or proceeding is brought by trustee.

The grantor covenants to and agrees with the beneficiary and the beneficiary's successors in interest that the grantor is lawfully seized in fee simple of the real ever defend the same against all persons whomsoever. except conditions, restrictions, reservations

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agree-

ment between them, beneficiary may purchase insurance at grantor's expense to protect beneficiary's interest. This insurance may, but need not, also protect grantor's interest. If the collateral becomes damaged, the coverage purchased by beneficiary may not pay any claim made by or against grantor. Grantor may later cancel the coverage by providing evidence that grantor has obtained property coverage elsewhere. Grantor is responsible for the cost of any insurance coverage purchased by beneficiary, which cost may be added to grantor's contract or loan balance. If it is so added, the interest rate on the underlying contract or loan will apply to it. The effective date of coverage may be the date grantor's prior coverage lapsed or the date grantor failed to provide proof of coverage. The coverage beneficiary purchases may be considerably more expensive than insurance grantor might otherwise obtain alone and may not satisfy any need for property damage coverage or any mandatory liability insurance requirements imposed by applicable

varrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):*

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are (choose one):*

(b) for an organization, or (even if grantor is a natural person) are for business or commercial purposes.

This deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, personal representatives, successors and assigns. The term beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby, whether or not named as a beneficiary shall mean the holder and owner, including pledgee, of the contract secured hereby.

In construing this trust deed, it is understood that the grantor, trustee and/or beneficiary may each be more than one person; that if the context so requires, the singular shall be taken to mean and include the plural, and that generally all grammatical changes shall be made, assumed and implied to make the provisions here-

IN WITNESS WHEREOF, the grantor has executed this instrument the day and year first written above.

Allego and the state of the sta	unent the day and year first written above.
*IMPORTANT NOTICE: Delete, by lining out, whichever warranty (a) or (b) is inapplicable. If warranty (a) is applicable and the beneficiary is a creditor as such word is defined in the Truth-in-Lending Act and	SIERRA DEVELOPMENTS, LLC
Programme A. the Definitionary Mills Commiss with the A	BY:
Act is not required, disregard this notice.	MICHAEL L. WILCHER, PRESIDENT
STATE OF OREGON, County ofKI This instrument was acknowledge by	ed before me on
This instrument was acknowledge	ed before me on Much 23,000e,
as President	
of Sierra Developments,	rre /
	XCO V
OFFICIAL SEAL	otary Public for Oregon
STACY COLLINS M NOTARY PUBLIC-OREGON	y commission expires
COMMISSION NO. 370824 MY COMMISSIO EXPIRES AUGUST 2, 2007	
REQUEST FOR FULL RECONVEYANCE (To be us	sed only when obligations have been paid)

COMMISSION NO. 370824 MY COMMISSIO. EXPIRES AUGUST 2, 2007	
REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.) To: The undersigned is the legal owner and holder of all indebtedness secured by the foregoing trust deed. All sums secured by the trust deed have been fully paid and satisfied. You hereby are directed, on payment to you of any sums owing to you under the terms of the trust deed or pursuant to statute, to cancel all evidences nated by the trust deed (which are delivered to you herewith together with the trust deed) and to reconvey, without warranty, to the parties designated by the trust deed, the estate now held by you under the same. Mail the reconveyance and documents to	
DATED	
Do not lose or destroy this Trust Deed OR THE NOTE which it secures. Both should be delivered to the trustee for cancellation before reconveyance is made.	Beneficiary