



11/02/2006 10:49:33 AM

Fee: \$56.00



After Recording Return To:  
Calvin A. Lanfear  
533 Brookside Lane  
Central Point, OR 97502

MTCTT071

**1st  
TRUST DEED**  
(Consent Required)

THIS TRUST DEED, made on this 31 day of October, 2006 between **Steve Whiteside and Jean Christian**, as **Grantor**, **TICOR TITLE**, as **Trustee**, and **Calvin A. Lanfear**, as **Beneficiary**,

**WITNESSETH:**

Grantor irrevocably conveys to trustee in trust, with power of sale, the property in Klamath County, Oregon, described as:

**See attached exhibit "a" for legal description**

together with all tenements, hereditaments and appurtenances and all other rights thereunto belonging or in anywise now or hereafter appertaining, and the rents, issues and profits thereof and all fixtures now or hereafter attached to or used in connection with the property.

FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of **One Hundred Thirty-Nine Thousand and 00/100 (\$139,000.00)**, with interest thereon according to the terms of a note of even date herewith, payable to beneficiary or order and made payable by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable October 30, 2008.

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.

**To protect the security subject to this trust deed, grantor agrees:**

1. To maintain said property in good condition and repair; not to remove or demolish any building or improvement thereof; not to commit or permit any waste of said property.
2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor.
3. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the property.
4. To provide and continuously maintain insurance on the buildings, now or hereafter erected on the property against loss or damage by fire and such other hazards as the beneficiary may from time to time require, in an amount not less than full insurable value, written in companies acceptable to the beneficiary, with loss payable to the latter; all policies of insurance shall be delivered to the beneficiary as soon as insured; if grantor shall fail for any reason to procure any such insurance and to deliver said policies to the beneficiary at least fifteen days prior to the expiration of any policy of insurance now or hereafter placed on said buildings the beneficiary may procure same at grantor's expense. The amount collected under any fire or other insurance policy may be applied by beneficiary upon any indebtedness secured hereby and in such order as beneficiary may determine, or at option of beneficiary the entire amount so collected, or any part thereof, may be released to grantor. Such application or release shall not cure or waive any default or notice hereunder or invalidate any act done pursuant to such notice.
5. To keep the property free from construction liens and to pay all taxes, assessments and other charges that may be levied or assessed upon or against said property before any part of such taxes, assessments and other charges become past due or delinquent and promptly deliver receipts therefor to beneficiary; should the grantor fail to make payment of any taxes, assessments, insurance premiums, liens or other charges payable by grantor, either by direct payment or by providing beneficiary with funds with which to

\* WARNING: 12USC 1701j3 regulates and may prohibit exercise of this option.

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make sure payment, beneficiary may, at its option, make payment thereof, and the amount so paid, with interest at the rate set forth in the note secured hereby, together with 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 and for such payments, with interest as aforesaid, the property herein before described, as well as the grantor shall be bound to the same extent that they are bound for the payment of the obligation herein described, and all such payments shall be immediately due and payable without notice, and the nonpayment thereof shall at the option of the beneficiary, render all sums secured by this trust deed immediately due and payable and constitute a breach of this trust deed.

6. To pay all costs, fees and expenses of this trust deed including the cost of title search as well as the other costs and expenses of the trustee incurred in connection with or in enforcing this obligation and trustee's and attorney's fees actually incurred.

7. To appear in and defend any action or proceeding purporting to affect the security rights of powers of beneficiary or trustee; and in any suit, action or proceedings in which the beneficiary or trustee may appear, including any suit for the foreclosure of this deed to pay all costs and expenses, including evidence of title and the beneficiary's or trustee's attorney's fees; the amount of attorney's fees mentioned in this paragraph 7 in all cases shall be fixed by the trial court and in the event of an appeal from any judgment or decrees of the trial court, grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney's fees on such appeal.

8. **It is mutually agreed that:** In the event that any portion or all of the property shall be taken under the right of eminent domain or condemnation, beneficiary shall have the right, if it so elects, to require that all or any portion of the monies payable as compensation for such taking, which are in excess of the amount required to pay all reasonable costs, expenses and attorney's fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any such reasonable costs and expenses and attorney's fees, both in the trial and appellate courts, necessarily paid or incurred by beneficiary in such proceedings, and the balance applied from the indebtedness secured hereby; and grantor agrees, at its own expense, to take such actions and execute such instruments as shall be necessary in obtaining such compensation, promptly upon beneficiary's request.

9. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in its own name sue or otherwise collect the rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorney's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

10. The entering upon and taking possession of said property, 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 or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

11. Upon default by grantor in payment of any indebtedness secured hereby or in his performance of any agreement hereunder, time being of the essence with respect to such payment and/or performance, the beneficiary may declare all sums secured hereby immediately due and payable. In such event the beneficiary may elect to foreclose this trust deed in equity as a mortgage or direct the trustee to foreclose this trust deed by advertisement and sale, or may direct the trustee to pursue any other right or remedy, either at law or in equity, which the beneficiary may have. In the event the beneficiary elects to foreclose by advertisement and sale, the beneficiary or the trustee shall execute and cause to be recorded a written notice of default and election to sell the property to satisfy the obligation secured hereby whereupon the trustee shall fix the time and place of sale, give notice thereof as then required by law and proceeds to foreclose this trust deed in the manner provided in ORS 86.735 to 86.795.

12. After the trustee has commenced foreclosure by advertisement and sale, and at any time prior to 5 days before the date the trustee conducts the sale, the grantor or any other person so privileged by ORS 86.753, may cure the default or defaults. If the default consists of a failure to pay, when due, sums secured by the trust deed, the default may be cured by paying the entire amount due at the time of the cure other than such portion as would not be due had no default occurred. Any other default that is capable of being cured may be cured by tending the performance required under the obligation or trust deed. In any case, in addition to curing the default or defaults, the person effecting the cure shall pay to the beneficiary all costs and expenses actually incurred in enforcing the obligation of the trust deed together with trustee's and attorney's fees not exceeding the amounts provided by law.

13. Otherwise, the sale shall be held on the date and at the time and place designated in the notice of sale or the time to which said sale may be postponed as provided by law. The trustee may sell said property either in one parcel or in separate parcels and shall sell the parcel or parcels at auction to the highest bidder for cash, payable at the time of sale. Trustee shall deliver to the purchaser its deed in form as required by law conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in the deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Any person, excluding the trustee, but including the grantor and beneficiary, may purchase at the sale.

14. When trustee sells pursuant to the powers provided herein, trustee shall apply the proceeds of sale to payment of (1) the expenses of sale, including the compensation of the trustee and a reasonable charge by trustee's attorney, (2) to the obligation secured by the trust deed (3) to all persons having recorded liens subsequent 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 his successor in interest entitled to such surplus.

Trust Deed Continued

15. Beneficiary may from time to time appoint a successor or successors to any trustee named herein or to any successor trustee appointed hereunder. Upon such appointments, the latter shall be vested with all title, powers and duties conferred upon any trustee herein named. 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 appointment of the successor trustee.

The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seized in fee simple of the real property and has a valid unencumbered title thereto, except as may be set forth herein or in an addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

Taxes, easements, covenants, conditions, restrictions, setback lines of record, if any.

WARNING: Unless grantor provides beneficiary with evidence of insurance coverage as required by the contract or loan agreement 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 law.

The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are primarily for grantor's personal family or household 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 pledge, of the contract secured hereby, whether or not named as a beneficiary herein.

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 hereof apply equally to corporations and to individuals.

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

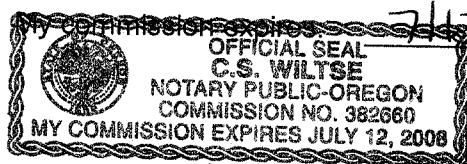
Dated this 31 day of October, 2006,

Steve Whiteside by Jean Christian Jean Christian  
Steve Whiteside *his attorney in fact.* ss.  
State of OR, County of Jackson

This instrument was acknowledged before me on 10/31, 2006  
by Jean Christian.

C. S. Wiltse  
Notary Public

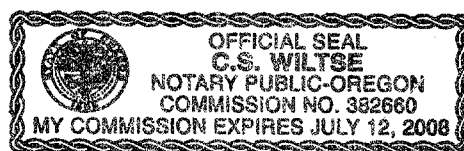
State of OR, County of Jackson )ss.



This instrument was acknowledged before me on 10/31, 2006  
by Jean Christian, as Power of Attorney for Steven Whiteside, of

C. S. Wiltse  
Notary Public

My commission expires: 7/12/08



**EXHIBIT "A"**  
**LEGAL DESCRIPTION**

**PARCEL 1**

Lots 5, 6 and 7, Block 13, RIVERSIDE ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

**PARCEL 2**

The Southerly 5 feet of Lot 4, Block 13, RIVERSIDE ADDITION TO THE CITY OF KLAMATH FALLS, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

Tax Account No:	3809-032CB-03200-000	Key No:	610681
Tax Account No:	3809-032CB-03300-000	Key No:	610707
Tax Account No:	3809-032CB-03400-000	Key No:	610690
Tax Account No:	3809-032CB-03100-000	Key No:	610672

**PROMISSORY NOTE SECURED BY A DEED OF TRUST**  
(Interest Only)

\$189,000 Sales Price  
50,000 Down Payment  
\$139,000 to Finance

**Total Financed: \$ 139,000.00**

**FOR VALUE RECEIVED**, the undersigned promises to pay to the order of Calvin A. Lanfear at 533 Brookside Lane, Central Point, OR 97502, the sum of \$ 139,000.00 AND NO CENTS together with interest upon declining balances thereof at the rate of 12% interest per annum; commencing on November 30, 2006 and the said \$ 139,000.00. **The Processing fee of 1% \$1,390.00, Document Preparation Fee of \$300.00 will be paid in full at closing.** The monthly interest only payment of \$1398.00 and the \$8.00 p/month processing fee shall be paid as follows:

**PAYMENTS: INTEREST ONLY** payable in monthly installments. The first monthly installment of interest is 12% of the Principal balance then Due and shall be due and payable to the lender on the 1<sup>st</sup> day of each month, beginning on November 30, 2006, if after 24 monthly payments, I still owe amounts under this note, I will pay all those amounts, in full, on that date. Each payment shall be credited first on interest then due, then on late charges and other fees due and the remainder on principal; and interest shall thereupon cease upon the principal so credited. Should default be made in payment of any installment when due, the whole sum of principal and interest shall become immediately due at the option of the holder of this note. Principal and interest payable in lawful money of the United States of America.

**DUE ON SALE:** THIS NOTE IS SECURED BY A DEED OF TRUST OF EVEN DATE HERewith, WHICH CONTAINS THE FOLLOWING PROVISION: "In the event of sale, transfer, conveyance or alienation of said property, or any part thereof, or any interest therein, whether voluntary or involuntary, Beneficiary shall have the right of acceleration, at its option, to declare the note secured by this Deed of Trust, irrespective of the maturity date expressed therein, and without demand or notice, immediately due and payable, including any prepayment charge provided for therein. No waiver of this right shall be effective unless in writing. Consent by Beneficiary to one such transaction shall not constitute a waiver of the right to require such consent to succeeding transactions."

**ACCELERATION:** If, whether voluntary or involuntary, default be made in the payment of any installment of interest when due, or be made in any of the covenants contained in the Deed of Trust, or in the event any maker executes a general assignment for the benefit of creditors, or bankruptcy proceeding is commenced by or against any makes, or in the event a receiver is appointed for the maker or the property of any maker, then, upon the happening of any one such events, the entire sum of principal and interest, including guaranteed interest, then unpaid, plus any prepayment penalties, shall forthwith become due and payable, at the option of the holders, **without notice or demand**. Failure to exercise such option shall not constitute a waiver of the right to exercise it in the event of any subsequent default. Should interest not be paid when due, it shall thereafter bear like interest as the principal within the maximum permitted by law.

## Promissory Note

**NOTE EXTENSION AGREEMENT:** Lender agrees to extend the final due date of this note for a one year period, if payments are made on time for an additional 1% points of the Principal amount due at that time as an extension fee, and the interest rate may be adjusted at that time.

**LATE CHARGES:** Any monthly installment made more than FIVE (5) calendar days after its schedule due date, shall be accompanied by a late charge in the amount equal to \$75.00 plus 5% of the installment then due. The final payment, if made more than FIVE (5) calendar days after its due date, shall be accompanied by a late charge in the amount of \$75.00 plus 5% of the payment then due.

**RETURN CHECK CHARGE:** A charge of 10% of any check, or \$50.00 whichever is greater, will be charged for each returned check by the bank.

**DEFAULT:** In the event that any scheduled payment of principal or interest due hereunder is not received by the holder of this Note within FIVE (5) days of its due date, or if any breach of any of the terms of this Note should occur, **this note shall be in default at that time.** In the event that default of any of the terms or conditions of this Note should occur, then the rate of interest on the entire unpaid balance of this Note will increase to EIGHTEEN percent (18%) per annum (Default Rate) until the unpaid payment due, together with any other charges due, pursuant to the terms and conditions of the Note are paid in full. All past due installments of interest, late charges, default rate interest, attorney's fees and expenses incurred by Holder in connection with the default will be added to the principal sum and become part of the said principal balance due. Thereafter, said principal balance will bear interest at the default rate provided herein.

**PREPAYMENT:** Maker reserves the right to repay all or any portion of the indebtedness evidenced by this note at any time, with a minimum guarantee of (6) months interest upon the face amount of this note. Any sums prepaid shall first be applied to accrued interest on the principal balance then unpaid. Maker shall give 30 days written notice of any prepayment. This may constitute additional interest owed of (2%) two percent of the principal reduction being paid, if maker does not give 30 day written notice of any prepayment.

**ATTORNEY FEES:** Each maker agrees to pay all costs and expenses incurred in enforcing collection of any portion of this note by suit or otherwise. Should suit be commenced to collect this note, or any portion thereof, such sum as the Court may deem reasonable shall be added hereto as attorney's fees, plus collection costs incurred by the holder. There will be a Document Preparation Fee for any Notices sent out of a Minimum of \$50.00 for Late Fees or collection of the loan, Partial Releases, Principal Reduction of the Loan or misc.

**WAIVER:** The Holders shall not by any act of omission or commission be deemed to waive any rights or remedies hereunder unless such waiver be in writing, signed by the holders, and then only to the extent set forth therein.

**JOINT AND SEVERAL:** This note shall be joint and several obligations of all makers, sureties, guarantors and endorsers. Such liability shall continue in the event any extension of time for repayment is given. Principal and Interest payable in lawful money of the United States of America. Interest to begin at the date of funding. This Note is secured by a Deed of Trust of even date herewith, Ticor Title Company of Medford, Oregon.

Page 2 of 3  
Promissory Note

Interest only monthly payments of \$ 1,398.00 will be due on the 30<sup>th</sup> of each month, and includes the \$8.00 p/mo handling fee.

This Note is secured by the real property at 110 N. Georgia Street, Klamath Falls, OR

**INSURANCE:** This loan will be covered by Title Insurance that is paid for by Steven Whiteside and Jean Christian.

**GIVING OF NOTICES:** Any Notices that must be given to the borrowers of this note will be given by delivering it or by mailing it by first class mail to the borrowers last known address.

**OBLIGATIONS OF PERSONS UNDER THIS NOTE:** If more than one person signs this note, each person is fully and personally obligated to keep all promised made in this note, including the promise to pay the full amount owed. This means that any one person may be requested to pay all of the amounts owed under this note.

BY: Steven Whiteside BY: Jean Christian  
 Steven Whiteside Jean Christian  
*his attorney in fact*  
 ADDRESS: 110 N. Georgia Street  
 Klamath Falls, OR 97502

Home: \_\_\_\_\_  
 Cell: Jean Christian 503-756-7321  
 Other contract #: 503-754-0787

.....  
**DO NOT DESTROY THIS NOTE:** When paid, this note with Deed of Trust securing  
 same, must be surrendered to Trustee for cancellation before reconveyance will be made.  
**THIS NOTE IS TO BE RECODED WITH THE DEED OF TRUST.**  
 .....

**EXHIBIT "A"****PERSONAL GUARANTEE****Date: Oct. 30, 2006**

FOR VALUE RECEIVED, the undersigned, jointly and severally, guarantee and promise to pay the note on the reverse hereof, and all extensions and renewal thereof, which extensions and renewals may be made without notice to or consent of the undersigned, and all taxes and insurance premiums and any other sums that may become due and payable under and by virtue of the provisions of any instruments of security, if any, securing the aforesaid note, and hereby waive (a) presentment, demand, protest, notice of protest, notice of dishonor, and notice of non-payment; and (b) the right, if any, to direct the application of the security hypothecated to the holder until all indebtedness of the maker to the holder upon said note shall have been paid. Further, any extension, renewal, forbearance, change of rate of interest, or acceptance, release or substitution of security, or any impairment or suspension of holder's remedies or rights against the maker, shall not in anyway affect the liability of the undersigned hereunder.

Upon a default of the maker, and unless a different course of action is allowed by law, the holder may non-judicially or judicially, whichever holder, in holder's sole discretion may choose, foreclose against any real or personal property security it holds for the indebtedness or any part thereof. In the event of a deficiency after a foreclosure against the real or personal property held as security, the holder may bring a separate action against one or more guarantors without first proceeding against the maker or any other guarantor or any other person, it being agreed that each guarantor's obligation under this Guarantee is independent of those of the maker and every other guarantor.

Guarantors agree to pay a reasonable attorney's fee and all other costs and expenses which may be incurred by Lender in the enforcement of this Guarantee. Any indebtedness of maker now or hereafter held by ay guarantor is hereby subordinated to the indebtedness of maker to holder; and such indebtedness of maker to guarantor, if holder so requests, shall be collected, enforced and received by guarantor as trustee for holder and paid over to holder on account of the indebtedness of maker to holder but without reducing or affecting in any manner the liability of guarantor as trustee for holder and paid over to holder on account of the indebtedness of maker to holder but without reducing or affecting in ay manner the liability of guarantor under the other provisions of this guarantee.

BY: Steven Whiteside  
Steven Whiteside *his attorney in fact*

Date: 10-31-06

BY: Jean Christian  
Jean Christian  
110 N Georgia Street  
Klamath Falls, OR 97601

Date: 10-31-06