FORM No. 881 - TRUST DEED (Assignment Restricted). © 1988-2003 STEVENS-NESS LAW PUBLISHING CO., PORTLAND, OR www.stevensness.com ΞA NO PART OF ANY STEVENS-NESS FORM MAY BE REPRODUCED IN ANY FORM OR BY ANY ELECTRONIC OR MECHANICAL MEANS. 2007-005870 TRUST DEED Klamath County, Oregon BRIAN & CYNAMMON HOUK PO BOX 117 CHILOQUIN OR 97624
Grantor's Nam 03/29/2007 03:02:19 PM Fee: \$36.00 -LARRY CHARLES HANSEN & BETTY RENEE HANSEN -2546 APPLEGATE AVE. KLAMATH FALLS OR 97601
Beneficiary's Name and Address After recording, return to (Name, Address, Zip): FIRST AMERICAN TITLE -1225 Crater Lake Ave Medford OR 97504 THIS TRUST DEED, made on ____MARCH___ __, between AND CYNAMMON L. HOUK, as tenants by the entirety --BRIAN S. HOUK , as Grantor, FIRST AMERICAN TITLE INSURANCE COMPANY ., as Trustee, and LARRY CHARLES HANSEN AND BETTY RENEE HANSEN, husband and wife , as Beneficiary, WITNESSETH: Grantor irrevocably grants, bargains, sells and conveys to trustee, in trust, with power of sale, the property in __KLAMATH_____ County, Oregon, described as: LOTS 1 AND 30 IN BLOCK 5, OFEGON SHORES SUBDIVISION-TRACT 1053, ACCOPDING TO THE OFFICIAL PLAT THEREOF ON FILE IN THE OFFICE OF THE COUNTY CLERK OF KLAMATH COUNTY, OREGON. at American Title Ins. Co. has recorded this strument by request as an accommodation on is has not examined it for regularity and sufficient as to its effect upon the title to any real proper 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 connection with the property.
FOR THE PURPOSE OF SECURING PERFORMANCE of each agreement of grantor herein contained and payment of the sum of TMENTY— FIVE THOUSAND AND NO. (100.5 m)

Dollars, with interest thereon according to the terms of a premissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and in notes, if net sconer paid, to be due and payable on MARCH

The date of maturity of the debt courted by this instrument is the date, stated above, on which the final unstallment of the note becomes due and payable. The date of maturity of the debt courted by this instrument is the date, stated above, on which the final unstallment of the note becomes due and payable. Should the granter either use of the property of the beneficiary, then, at the beneficiary for any party of the property, or all or any party of grantor's interest in it without irity dates expressed therein, or the supervisor of the beneficiary, then at the beneficiary for any party of the property of the beneficiary, then at the beneficiary for any party of the property in good condition and repair; not to remove or denotish 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 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 was require, and to pay for filling the same in the property building officers or searching associated as may be deemed desirable by the beneficiary was required to the beneficiary was required to the beneficiary was produced on the property against loss or damage by fire and other hazards, as the beneficiary may from time to time require, in an amount on less than \$ for the property deforms the property such insurance and to deliver the policies to the beneficiary and pay beneficiary was not as such as the property free from continuously maintain insurance on the buildings now or he-reficiary as the beneficiary with the property free from continuously maintain ins

grantor further agrees to pay such sum as the appellate court shall adjudge reasonable as the beneficiary's or trustee's attorney fees on such appeal.

It is mutually agreed that:

8. 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 fees necessarily paid or incurred by grantor in such proceedings, shall be paid to beneficiary and applied by it first upon any reasonable upon the indebtedness secured hereby. 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.

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.





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 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 deed or the lien or charge thereof; or (d) reconvey, 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 services mentioned in this paragraph shall be not less than \$5.

10. Upon any default by grantor hereunder, beneficiary may, at any time without notice, either in person, by agent, or by a 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 the 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 fees, upon any indebtedness secured hereby, and in such order as beneficiary may determine.

11. The entering upon and taking possession of the 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's performance of any agreement

cies 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.

12. Upon default by grantor in payment of any indebtedness secured hereby or in grantor's 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 proceed 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 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 proceed to foreclose this trust deed in one Se 6735 to 86.795.

13. 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 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 then be due had no default occurred. Any other default that is capable of being cured may be cured by tendering 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 and attorney fees not exceeding the amounts provided by law.

14. Otherwise, the sale shall be held on the

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 such appointment, and without conveyance to the successor trustee, the latter shall be vested with all fittle, 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 country 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.

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 property and has a valid, unencumbered title thereto, except as may be set forth in any addendum or exhibit attached hereto, and that the grantor will warrant and forever defend the same against all persons whomsoever.

ever defend the same against all persons whomsoever.

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

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

(a) primarily for grantor's personal, family or household purposes (see Important Notice below).

(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 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, the grantor has executed this instrument the day and year first written above. 5. *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 Regulation Z, the beneficiary MUST comply with the Act and Regulation by making required disclosures. If compliance with the Act is not required, disregard this notice. BRIAN S. HOUK 2 mune STATE OF OREGON, County of Klawarthamon L. HOUK This instrument was acknowledged before me on March Servan Servan Servan Cynammon This instrument was acknowledged before me on as OFFICIAL SEAL Notary Public for Oregon C GERMOLUS NOTARY PUBLIC-OREGON My commission expires ___ COMMISSION NO. 397209
MY COMMISSION EXPIRES SEPTEMBER 15, 2009

REQUEST FOR FULL RECONVEYANCE (To b	e used only when obligations have been paid.)
and satisfied. You hereby are directed, on payment to you of any sums owing to of indebtedness secured by the trust deed (which are delivered to you herewith t	by the foregoing trust deed. All sums secured by the trust deed have been fully paid you under the terms of the trust deed or pursuant to statute, to cancel all evidences ogether with the trust deed) and to reconvey, without warranty, to the parties designail 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	Beneficiary

ADDENDUM TO TRUST DEED

The parties agree that the Trust Deed is hereby amended as follows:

- (A) Paragraph 4, regarding fire and other hazard insurance:
- (i) Unless the Grantor notifies the Beneficiary in writing which is received by the Beneficiary at least fifteen (15) days prior to the expiration of any policy of insurance now or hereafter placed on the buildings, the Beneficiary will advance the amount of the premium for the fire or other hazard insurance which has previously been approved by the Beneficiary. The amount of any premium advanced by the Beneficiary will be added to the Note balance secured by this Deed of Trust and will be secured by this Deed of Trust. The amount of any premium advanced by the Beneficiary will be added to the Note balance as of the date of the Beneficiary's payment. The monthly Note payments will be adjusted to amortize that insurance premium over the number of months in which insurance is to be provided by that renewal. For example, if the Beneficiary advances an annual premium, the payments will be adjusted so as to recover that premium amount, plus interest, over the succeeding twelve (12) month period. The Grantor shall have the option and right to repay the premium in one lump sum which would then reduce the Grantor's monthly payment accordingly. Interest will accrue on the premium paid by the Beneficiary at the rate set forth in the Note from the date of the payment.
- (ii) It is the Grantor's responsibility to insure that the insurance coverage is maintained on the property and to verify that the Beneficiary has paid the premium under the circumstances set forth in paragraph (i) above. If Grantor is otherwise in default under the terms of the Note or Trust Deed, Beneficiary reserves the right to obtain insurance which covers only the Beneficiary's interest in the Note and Trust Deed and does not cover any equity interest of the Grantor.
- (iii) The Grantor understands that if the Grantor obtains insurance from any insurance company other than that which the Beneficiary has notice, and does not notify Beneficiary and provide proof thereof within fifteen (15) days of the date of renewal of the former policy, the Beneficiary may proceed as outlined in (i) above.
- (B) Paragraph 5 of the Trust Deed regarding property taxes:
- (i) If the Grantor fails to pay the real property taxes in whole or in part under one of the options contained in the annual real property tax statement on or before November 15 (or on any of the subsequent dates under said options) of each tax year, the Beneficiary may pay said real property taxes, including any interest or penalty accrued thereon. In addition to any other remedies provided under the terms of the Trust Deed, the Beneficiary may add the amount so paid to the Note balance as of the date of the Beneficiary's payment. Interest will accrue on the amount so paid by the Beneficiary at the rate set forth in the Note from the date of the payment. The Beneficiary may then adjust the monthly loan payments so as to recover the amount paid by the Beneficiary by the next November 1. As an example, if the Beneficiary pays the full amount of taxes plus applicable interest due on January 15, the Grantor's monthly payment would be increased by 1/9 of that amount. The Grantor has the option and right to pay the amount of the taxes advanced by the Beneficiary in one lump sum and to thereby have the monthly payment readjusted accordingly.
- (ii) It is the Grantor's responsibility to insure that the property taxes have been paid and to verify that the Beneficiary has paid the property taxes under the circumstances set forth in paragraph (i) above.

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(document 01-21-05)

(C) PAYMENT ADJUSTMENTS:

The Grantor understands and agrees that the monthly payment adjustments provided for under (A) and (B) above will be estimates and the actual amount of the additional interest will be dependent upon the timing of Grantor's monthly payments. The adjustment in the monthly payment will only be made if the Grantor does not pay the amount advanced by the Beneficiary under either (A) or (B) above in one lump sum.

(D) DEFAULT:

If the Grantor is otherwise in default under the terms of the Trust Deed (e.g., for failure to make monthly payments under the Note), the Beneficiary may pay the insurance and/or real property taxes but make demand on the Grantor for payment in full of any amounts so advanced. Failure to pay said sums, including accrued interest, in full and within fifteen (15) days of written demand therefore by beneficiary, will constitute a default of the terms of the Note and Deed of Trust.

BRIAN S. HOUK	_	- 1
Grantor's name (type or print)	A* .	
x 5. 5. 4	~ (~ \	Λ
Grantor's signature	CA.	1
DATED this 27 day of W	a > c & 20 C	7

CYNAMMON L. HOUK

Second Grantor's name, if applicable (type or print)

Y

Second Grantor's signature, if applicable

DATED this 27 day of Warch, 2007.

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(document 01-21-05)