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TRUST DEED

05/03/2007 10:43:31 AM

Fee: \$46.00

TRUST DEED Douglas J Youngberg and Beverly G Youngberg Husband & Wife 23743 Cherrywood Lane Chiloquin, OR 97624	STATE OF OREGON COUNTY OF KLAMATH ss. I certify that the within instrument was received for the record on the _____ day of _____ at _____ o'clock _____ m and recorded in book/reel/volume no _____ on page _____ and/or as fee/file/instrument microfilm/reception no. _____ Record of _____ of said County witness my hand and seal of County Affixed
GRANTOR Home Builders Finance, Inc, D.B.A. Owner Builder Loan Services 2035 Hogback Road Ann Arbor, MI 48105	
BENEFICIARY	
AFTER RECORDING RETURN TO BENEFICIARY ATE: 604680 PS	NAME _____ TITLE _____ by _____, Deputy

THIS TRUST DEED, made May 2, 2007, between:
Douglas J Youngberg and Beverly G Youngberg, Husband & Wife, 23743 Cherrywood Lane, Chiloquin, OR 97624, Grantor
Aspen Title And Escrow, Inc, 525 Main Street, Klamath Falls, OR, 97601 as Trustee and
Home Builders Finance, Inc. D.B.A. Owner Builder Loan Services, 2035 Hogback Road, Ann Arbor, MI 48105, 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:

See Attached Exhibit A.

NOW THEREFORE, TO SECURE TO BENEFICIARY:

(a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the performance of the provisions of the Note, this Trust Deed and that certain Construction Loan Agreement of even date herewith by and between Grantor and Beneficiary (the "Loan Agreement") (the Note, this Trust Deed and the Loan Agreement hereinafter sometimes referred to as the "Loan Documents"); (c) the payment of all other sums, with interest thereon advanced in accordance herewith to protect the security of this Trust Deed; and (d) the repayment of any and all present and future indebtedness of Grantor to Beneficiary, whether direct or indirect, absolute or contingent, due or to become due, and howsoever evidenced; Grantor does hereby convey and warrant unto the Beneficiary and it its successor and assigns, all of the real property described above or in exhibit attached hereto and by this reference made a part hereof, together with all building and improvement now or hereafter existing thereon together with all and singular the 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 and 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 Ninety-Four Thousand Seven Hundred Dollars and No Cents with interest thereon according the terms of a promissory note of even date herewith, payable to beneficiary or order and made by grantor, the final payment of principal and interest hereof, if not sooner paid, to be due and payable according to the terms of the promissory note of even date herewith.

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.

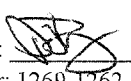
To protect the security of this trust deed, grantor agrees:

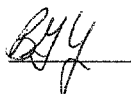
1. To protect, preserve, and maintain the property in good condition and repair; not to remove or demolish any building or improvement thereon; not to commit or permit any waste of the property.
2. To complete or restore promptly and in good and habitable condition any building or improvement which may be constructed, damaged or destroyed thereon, 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 pay for filing same in the proper public office or offices, as well as the costs of all lien searches made by filing officers or searching agencies as may be deemed desirable by the beneficiary.
4. Grantor shall keep insured all improvements which are now existing and which might hereafter become part of the Property, against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required from time to time by Beneficiary; and Grantor shall pay promptly, when due, any premiums on the insurance. All insurance shall be carried with companies approved by Beneficiary, and Grantor shall cause all policies and renewals thereof to be delivered to Beneficiary; and the parties shall contain loss payable clauses in favor of and in form acceptable to Beneficiary.

Please Initial: DS BY
Loan Number: 1269-1262
\$46A

PAGE 2, DEED OF TRUST DATED 5/2/2007 BETWEEN Douglas J Youngberg and Beverly G Youngberg,
Grantors and Home Builders Finance, Inc. D.B.A. Owner Builder Loan Services as Beneficiary.

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 agency thereof or an escrow agent licensed under ORS 696.505 to 696.585.

Please Initial: 
Loan Number: 1269-1262



In the event of loss, Grantor shall give immediate notice to Beneficiary, and Beneficiary may make proof of loss if such is not made promptly by Grantor. Any insurer is hereby expressly authorized and directed to make payment for the loss directly and solely to Beneficiary. Further, Beneficiary may apply the insurance proceeds, or any part thereof, in its sole discretion and at its option, either to the reduction of the Debt or to the restoration or repair of any portion of the property.

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 the 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 make such 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 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 and for such payments, with interest as aforesaid, the property hereinbefore 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 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 or powers of beneficiary or trustee; and in any suit, action or proceeding 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 decree 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. 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 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 upon 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. 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 change thereof; (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's fees for any of the services mentioned in this paragraph shall be no less than \$5.00.

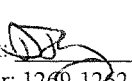
10. Upon any default by grantor hereunder, beneficiary may at any time without notice, either in person, by agent or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the property or any 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's fees upon any indebtedness secured hereby, and in such order as beneficiary may determine.

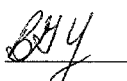
11. The entering upon and taking possession of the property, the collection of such rents, issues and profits, or the proceeds of fire and other insurance policies or compensation or awards for taking or damage of the property, and the application or release thereof as aforesaid, shall not cure or waive 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 an 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 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 proceed to foreclose this trust deed in the manner provided in ORS 86.735 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 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 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's and attorney's fees not exceeding the amounts provided by law.

14. 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

Please Initials 
Loan Number: 1269-1262



the sale may be postponed as provided by law. The trustee may sell the 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 the 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.

15. 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 interest 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 such 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.

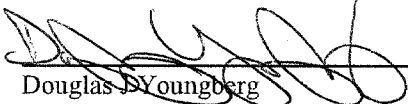
The grantor covenants and agrees to and with the beneficiary and the beneficiary's successor in interest that the grantor is lawfully seized in fee simple of the real property and has a valid, unencumbered title thereto and that the grantor will warrant and forever defend the same against all persons whomsoever.

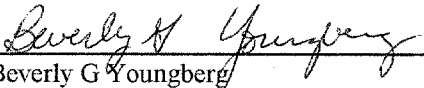
The grantor warrants that the proceeds of the loan represented by the above described note and this trust deed are primarily for grantor's personal, family or household purposes.

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 pledgee, of the contract secured hereby, whether or not named as a beneficiary herein.

In constructing 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 above written.

GRANTOR: 
Douglas J Youngberg

GRANTOR: 
Beverly G Youngberg

STATE OF OREGON, COUNTY OF KLAMATH) ss.

This instrument was acknowledged before me on May 2, 2007

by Douglas J Youngberg & Beverly G Youngberg

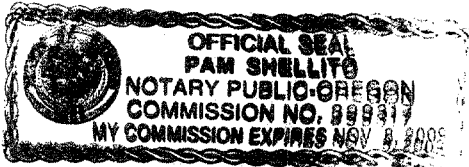
This instrument was acknowledged before me on May 2, 2007

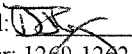
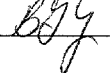
By 

As _____

Of _____

My commission expires: Nov 8, 2009
Notary Public for Oregon _____



Please Initial:  
Loan Number: 1269-1202

PAGE 5, DEED OF TRUST DATED 5/2/2007 BETWEEN Douglas J Youngberg and Beverly G Youngberg, Grantors and Home Builders Finance, Inc. D.B.A. Owner Builder Loan Services as Beneficiary.

REQUEST FOR FULL RECONVEYANCE (To be used only when obligations have been paid.)

To: Aspen Title And Escrow, Inc
525 Main Street, Klamath Falls, OR, 97601
Klamath Falls, OR 97601, Trustee

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 of indebtedness secured 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 terms of the trust deed the estate now held by you under the same.

MAIL RECONVEYANCE AND DOCUMENTS TO:

Home Builders Finance, Inc. D.B.A. Owner Builder Loan Services
2035 Hogback Road
Ann Arbor, MI 48105

DATED: _____
Do not lose this Trust Deed or THE NOTE which it secures.
Both must be delivered to the trustee for cancellation before
reconveyance can be made.

Beneficiary

Beneficiary

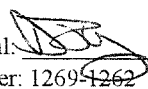
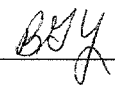
Please Initial:  
Loan Number: 12694262

EXHIBIT A
DESCRIPTION OF REAL ESTATE

Grantor: Douglas J Youngberg and Beverly G Youngberg
Tax Code No.:

The land situated in Chiloquin, Klamath County, Oregon and is described as follows:

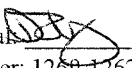
Lot 16, Block 2, JUNIPER ACRES, according to the official plat thereof
on file in the office of the Clerk of Klamath County, Oregon.

CODE 008 MAP 3510-035C0 TL 00400 KEY # 274009

Instrument Drafted By and Return to:

Home Builders Finance, Inc. D.B.A. Owner Builder Loan Services
2035 Hogback Road
Ann Arbor, MI 48105

Telephone: 734-677-3000

Please Initial 
Loan Number: 1269-1262

