

AFTER RECORDING, RETURN TO: LINDA REED HAASE, Attorney
500, Bend, OR 97701 / phone - 541-385-6121.



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05/22/2008 08:46:22 AM

Fee: \$51.00

360 NW Vermont Place Ste 500
Bend, OR 97701

TRUST DEED

1. Parties:

GRANTOR: JOSEPH SWEET
BENEFICIARY: SUZANNE NUNES
TRUSTEE: AMERITITLE

2. **Agreement:** For the purpose of securing performance of an agreement of grantor and payment of the sum of ONE HUNDRED FIFTY THOUSAND and no/100 DOLLARS (\$150,000.00), Grantor, grants, bargains, sells and conveys to Trustee in trust for Beneficiary, with power of sale, the real property, together with appurtenances, located in Klamath County, Oregon, more particularly described in Exhibit "1" which is attached hereto and by this reference incorporated herein.

3. Security:

3.1. This trust deed secures a trust deed note between Grantor and Beneficiary, dated MAY 2, 2008 which is attached hereto as Exhibit "2" and made a part hereof.

3.2. As additional security, Grantor hereby assigns to Beneficiary during the continuance of this trust, all rents, issues, royalties and profits of the property affected by this trust deed and of any personal property located thereon. Until Grantor shall default in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, Grantor shall have the right to collect all such rents, issues, royalties, and profits earned prior to default as they become due and payable.

4. **Warranties of Title:** Grantor warrants and represents to Beneficiary that Grantor owns the property in fee simple free from all liens and encumbrances except - none.

5. Grantor's Duties: Grantor will forever defend the property against all persons; Grantor will pay the obligation secured by this trust deed according to all its terms and conditions; Grantor will pay all taxes and assessments and all charges of every nature which may be levied or assessed against the property; Grantor will pay according to their terms and conditions any and all other liens and encumbrances that are or may become charges against the property or any part thereof; Grantor will complete or restore promptly and in good workmanlike manner any building or improvement on the described property which may be constructed, damaged or destroyed thereon and pay when due all costs incurred therefor when said damage or destruction is not paid by insurance required herein; Grantor will not remove or demolish any building or improvement on the described property without the written consent of Beneficiary; Grantor will pay all costs 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 any attorney fees as provided by law or herein; Grantor will pay immediately and without demand all sums expended hereunder by Beneficiary or Trustee, with interest from date of expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby. Grantor shall at all times maintain fire and hazard insurance on the property and its contents at Grantor's expense. Grantor shall provide proof of insurance coverage to Beneficiary upon the annual renewal of the insurance policy. Grantor also shall pay all homeowner's association dues and keep them current. Failure of Grantor to perform or fulfill any of his duties listed in this section shall constitute a default which will allow Beneficiary to exercise her remedies set forth in Section 7 below.

6. Performance:

6.1. If Grantor performs the terms and conditions of this trust deed and pays the obligation secured hereby according to all terms and conditions this conveyance shall be void, but otherwise shall remain in full force to secure the performance of this trust deed and the payment of the obligation it secures. The parties agree that failure of Grantor to perform any term or condition of this trust deed or the obligation it secures, or if proceedings of any kind are taken by anyone to foreclose any lien which grantor is bound by this trust deed to remove on the property or any part thereof, Beneficiary shall have the option to declare the whole unpaid amount of the obligation secured by this trust deed at once due and payable, and this trust deed may be foreclosed at any time thereafter.

6.2. Upon performance of the obligation secured hereby, Trustee shall, upon written request of Beneficiary, reconvey the property to Grantor.

7. Default:

7.1. Upon default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, Beneficiary may declare all sums secured hereby immediately due and payable by delivery to Trustee of written notice of default

and election to sell the trust property, which notice Trustee shall cause to be duly filed for record. If Beneficiary desires the property to be sold, Beneficiary shall deposit with Trustee the trust deed, the note and all documents evidencing expenditures secured hereby, whereupon the Trustee shall fix the time and place of sale and give notice thereof as then required by law following the recordation of said notice of default, and notice of sale having been given as then required by law, Trustee shall, if Grantor's default has not been cured in the manner then provided by law, sell said property at the time and place fixed by it in the notice of sale and such sale shall be conducted in the manner then provided by law. Trustee shall deliver to its purchaser its deed in a form as required by law conveying the property so sold, but without any covenant or warranty, express or implied.

7.2 Upon any default, 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 said property or any part thereof, in their own name sue for or otherwise collect such 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 at trial and on appeal, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

7.3 Nothing herein shall be construed as a waiver by Beneficiary of the right to elect to foreclose in the manner provided by law for the foreclosure of mortgages on real property.

8. Establishment of Trust:

8.1. Trustee accepts this trust when this trust deed, duly executed and acknowledged, is made public record as provided by law. Trustee is not obligated to notify any party hereto of pending sale under any other trust deed or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party, unless brought by Trustee.

8.2. Beneficiary may appoint another Trustee in place of Trustee named herein, and thereupon the Trustee so appointed shall be substituted as Trustee with the same effect as if originally named Trustee.

9. Successors in Interest: This deed shall inure to and bind the heirs, legatees, devisees, administrators, executors, successors, and assigns of the parties hereto. All obligations of Grantor hereunder are joint and several. The term "Beneficiary" shall mean the owner and holder, including pledgors, of the note secured hereby, whether or not named as beneficiary herein.

10. Attorney Fees: If suit or action is instituted to enforce any of the provisions of this trust deed, the prevailing party shall be entitled to such sums as the court may adjudge reasonable as attorney fees in said suit or action in any court including any appellate court in addition to costs and disbursements provided by statute. Prevailing party shall also recover cost of title report.

DATED this 2 day of May, 2008.

GRANTOR:


JOSEPH SWEET

STATE OF OREGON)
) ss.
County of Deschutes)

2nd The foregoing instrument was acknowledged before me by Joseph Sweet this day of May, 2008 to be his voluntary act and deed.



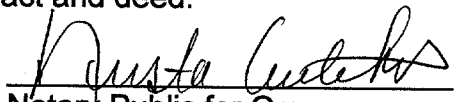

Notary Public for Oregon
My commission expires: Feb 23, 2010

Exhibit 1

Lot 7 in Block 4, Wagon Trail Acreages No. 2, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

151852 Conestoga Road, LaPine, OR 97739

TRUST DEED NOTE

PARTIES:

GRANTOR: JOSEPH SWEET
BENEFICIARY: SUZANNE NUNES
TRUSTEE: AMERITITLE

AGREEMENT: For value received, Grantor, promises to pay to Beneficiary or Beneficiary's order, at such place as Beneficiary designates, the principal sum of \$150,000 to Suzanne Nunes as follows:

- (1) no payments on this note shall be required for the period ending September 28, 2008. This note shall bear no interest for a period of six months from the date of execution of this note.
- (2) beginning September 28, 2008, the principal balance shall bear interest at the rate of 5.875 per cent simple interest from October 28, 2008 until the note is paid in full. At Grantor's option, he may make interest only payments each month beginning seven months following the date of the execution of this note OR if Grantor chooses not to make interest only payments, the interest shall accrue until the full balance of the note is paid. Interest shall not be compounded.
- (3) on September 28, 2009, or upon the sale of the real property secured by this note or upon the financing of the real property secured by this note (whichever occurs first), the full principal balance of this note and all accrued interest (if any) shall be due and payable in full.


Grantor may prepay at any time without penalty.

DEFAULT: Should default be made in any payment due under this note the entire principal sum and accrued interest shall at once become due and payable without notice at the option of the holder of this note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default. In the event of default, it is agreed that the holder of this note may recover such reasonable expenses as may be incurred in collection (even if no lawsuit or foreclosure is filed), including reasonable attorney fees, including attorney fees in any appeal from a suit or action. This note may be enforced, without waiver, as a promissory note separate from the remedies provided for under the deed of trust by the holder of this note.

This Trust Deed Note is the note described in and secured by a Trust Deed executed the same date as this note.

Dated the 2 day of May, 2008.

GRANTOR:



JOSEPH SWEET