

2008-015052
Klamath County, Oregon

Recording Requested By:
Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601



11/06/2008 11:20:23 AM

Fee: \$46.00

When Recorded Return To:

Aspen Title & Escrow, Inc.
525 Main Street
Klamath Falls, OR 97601

Until requested otherwise, send all tax statements:

ATE 66198

(SPACE ABOVE THIS LINE FOR RECORDER'S USE)

COVER SHEET

DOCUMENT: TRUST DEED

GRANTOR: Gregory Michael Colvin

TRUSTEE: Aspen Title & Escrow, INC

GRANTEE: Horizons Home Enterprises, INC

CONSIDERATION: \$ 75,000.00

DATE: 9/25/08

LEGAL DESCRIPTION: See Attached

TRUST DEED

FROM: Gregory Michael Colvin and Shelly Gean Colvin (Grantors)
TO: Keith Y. Boyd (Trustee)
IN FAVOR OF: HORIZONS HOME ENTERPRISES, INC. (Beneficiary)

EFFECTIVE DATE: Sept 25, 2008

1. **Definitions.** As used herein, the following terms shall have the following meanings:

- 1.1 **Event of Default.** Any of the happenings and occurrences described in paragraph 4.
- 1.2 **Fixtures.** To the extent of Grantors' interest therein, all fixtures now or at any time hereafter attached to or used in any way in connection with the operation, use or occupation of the Real Property, including, without limitation, all machinery and equipment, furniture and furnishings, screens, awnings, storm windows and doors, window shades, floor coverings, shrubbery, plants, boilers, tanks, furnaces, radiators, fire prevention and extinguishing apparatus, security and access control apparatus, communications apparatus, all heating, lighting, plumbing, gas, electric, ventilation, refrigerating, air conditioning and incinerating equipment of whatever kind and nature, all of which are hereby declared and shall be deemed to be fixtures and accessory to the fee and part of the Real Property as between the parties hereto, their heirs, legal representatives, successors and assigns and all persons claiming by, through or under them.
- 1.3 **Improvements.** All buildings and other improvements and all additions thereto and alterations thereof now, or at any time hereafter, located upon the Land or any part thereof.
- 1.4 **Indebtedness.** The amount due under the Promissory Note executed by Grantors, payable to Beneficiary, dated this date, in the amount of \$75,000.
- 1.5 **Land.** The property described on attached Exhibit A, located at 28044 Petersteiner Road in Bonanza, Oregon (Klamath County) and including a manufactured home recorded as real property therein.
- 1.6 **Obligations.** The covenants, promises and other obligations (other than the Indebtedness) made or owing by Grantors to or due to Beneficiary under this Trust Deed.
- 1.7 **Real Property.** The Land, the Improvements and the Fixtures together with all rights, privileges, permits, licenses, tenements, hereditaments, rights-of-way, easements, appendages and appurtenances of the Land, and all right, title and interest of Grantors in and to any streets, ways, alleys or strips adjoining the Land or any part thereof.

2. **Grant.** To secure payment of the Indebtedness and performance and discharge of the Obligations, Grantors hereby grant, bargain, sell and convey and assign to Trustee, in trust for Beneficiary, with power of sale, the Real Property.

3. **Covenants.** Until the entire Indebtedness has been paid in full, Grantors covenant and agree as follows:

- 3.1 **Compliance with Laws.** Grantors will promptly and faithfully comply with, conform to and obey all present and future laws, ordinances, rules, regulations and requirements of every duly constituted governmental authority or agency which may be applicable to it or to the Real Property, or any part thereof, or to the use or manner of use, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Real Property, or any part thereof, whether or not such law, ordinance, rule, order, regulation or requirement necessitates structural changes or improvements or interferes with the use or enjoyment of the Real Property.

3.2 Payment of Taxes and Other Government Charges. Grantors will promptly pay and discharge, or cause to be paid and discharged, before delinquency, all real estate and personal property taxes and other taxes and assessments, water and sewer rates and charges, and other governmental charges and any interest or costs for penalties with respect thereto, and charges for any easement or agreement maintained for the benefit of the Real Property which at any time prior to or after the execution of this Trust Deed may be assessed, levied or imposed upon the Real Property, or the rent or income received therefrom, or any use or occupancy thereof, and any other taxes, assessments, fees and governmental charges levied, imposed or assessed upon or against Grantors or any of Grantors' properties.

3.3 Repair. Grantors will keep the Real Property in good order and condition and make all necessary or appropriate repairs, replacements and renewals thereof, and will use Grantor's best efforts to prevent any act or thing which might impair the value or usefulness of the Real Property. Grantor shall not make any alterations or additions to the Improvements or remove any of the Improvements if such alterations, additions or removal would impair the value of the Real Property.

3.4 Insurance Required. Grantor shall obtain and continuously maintain throughout the term of this Trust Deed general liability insurance upon the Real Property in an amount not less than \$150,000. Such policy or policies of insurance shall name Beneficiary as additional insured and shall require at least 30 days' notice to Beneficiary before cancellation, expiration or material change. Grantors shall provide Beneficiary with a copy of all insurance policies required by these provisions, or certificates thereof, satisfactory to Beneficiary and shall, from time to time, upon request of Beneficiary, furnish a statement of Grantors of the amounts of insurance maintained in compliance with these provisions, the risks covered by such insurance, the insurance company or companies which carry such insurance and evidence that the premiums thereon have been paid.

3.5 Restoration Following Casualty. In the event of any casualty resulting in damage to or loss or destruction of the Improvements or Fixtures, Grantors shall give prompt notice thereof to Beneficiary, and Grantors shall promptly restore, repair or replace the damaged, lost or destroyed property to a value and condition that is equal to or better than the value and condition existing immediately prior to such damage, loss or destruction.

3.6 Application of Insurance Proceeds. Insurance proceeds shall be used by Grantors for the indemnity provided to Beneficiary hereunder.

3.7 Inspection. Beneficiary shall have the right, individually or through agents, at all reasonable times to inspect the Real Property.

3.8 Indemnification. Grantors shall indemnify and hold Beneficiary and Beneficiary's agents, legal representatives, heirs, successors and assigns harmless against any and all claims, demands, losses, liabilities, costs and expenses (including, without limitation, attorney fees at trial and on any appeal or petition for review) arising out of or in any way related to or affecting the Real Property or Grantors' use thereof.

3.9 Construction Liens. Grantors shall not permit or suffer any construction or similar lien on any of the Real Property, except as such liens may be filed in the normal course by contractors, suppliers and the like. Grantors shall remove or cause the removal of all such liens by payment of amounts due on account thereof. If Grantors desire to contest any such lien, immediately upon the commencement of any litigation concerning the same, Grantors may contest the lien by posting a bond necessary for its removal.

3.10 Defense of Title. Grantors shall appear in and defend and 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 Trust Deed or any suit or action related to this instrument, including but not limited to its validity and/or enforceability, to pay all costs and expenses, including evidence of title and the beneficiary's or Trustee's attorneys' fees.

4. Events of Default. Each of the following shall be an Event of Default.

4.1 The failure of Grantors to pay any portion of the Indebtedness when it is due or to comply with all of the terms of the Note and Trust Deed owed to Beneficiary.

4.2 The sale, conveyance, transfer or other disposition of the Real Property, or any part thereof, or any interest

therein, including the transfer of possessory rights therein, directly or indirectly, either voluntarily, involuntarily or by operation of law, by contract, deed or otherwise, without Beneficiary's prior written consent.

5. **Remedies.** Upon the occurrence of any Event of Default, Beneficiary may exercise any one or more of the following remedies:

5.1 **Acceleration.** Declare the unpaid portion of the Indebtedness to be immediately due and payable.

5.2 **Foreclosure.** Foreclose this Trust Deed, either in equity as a mortgage in the manner provided by law for mortgage foreclosures, or nonjudicially by directing the Trustee to foreclose this Trust Deed by advertisement and sale in the manner provided by law.

5.3 **Remedies Cumulative and Concurrent.** The rights and remedies of Beneficiary as provided in the Indebtedness and this Trust Deed shall be cumulative and concurrent and may be pursued separately, successively, or together against Grantors or against other obligors, or against the Real Property, or any one or more of them, at the sole discretion of Beneficiary, and may be exercised as often as occasion therefore shall arise.

5.4 **Nonwaiver.** The election of Beneficiary not to exercise any option or remedy which they may have under this Trust Deed with respect to any Event of Default shall not be deemed a waiver of Beneficiary's right to exercise such rights or options as to any proceeding or subsequent Event of Default, nor shall it be deemed a waiver with respect to that Event of Default or any other remedy available to Beneficiary under this Trust Deed, the Note or applicable law.

6. **Condemnation.**

6.1 **Application.** This paragraph shall apply to any taking of all or a portion of the Real Property as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain. Grantors shall prosecute Grantors' claim or claims for any such award or payment in good faith and due diligence and authorizes and empowers Beneficiary, under the name of Grantors, to collect and receipt for any such award or payment and, in the event Grantors fail to act or in the event an Event of Default has occurred and is continuing, to file and prosecute such claim or claims.

6.2 **Proceeds.** All proceeds received by Beneficiary with respect to a taking pursuant to paragraph 6.1 shall be applied as follows, in the order of priority indicated:

6.2.1 To reimburse Beneficiary for all costs and expenses, including reasonable attorney fees incurred in connection with collecting the proceeds;

6.2.2 To Grantors for the purpose of and to the extent necessary for repair or restoration of Land and/or Improvement damaged by the taking, to the extent the award includes sums for such damage;

6.2.3 To the payment of accrued and unpaid interest on the Indebtedness;

6.2.4 To the prepayment of unpaid principal of the Indebtedness; and

6.2.5 The balance, if any, will be paid to Grantors.

7. **Miscellaneous.**

7.1 **Beneficiary's Right to Act.** Upon an Event of Default, Beneficiary may, at Beneficiary's option and without waiver of the default, perform the same on behalf of Grantors. Expenditures made or charges incurred by Beneficiary for the foregoing purposes shall be paid by Grantors to Beneficiary immediately upon demand and shall be secured by this Trust Deed. Nothing herein shall require Beneficiary to advance monies for any purpose or to do any other act, and Beneficiary shall not incur any personal liability because of Beneficiary's action or inaction under this paragraph.

7.2 **Attorney Fees and Costs.** In the event action is instituted to enforce or interpret any of the terms of this Trust Deed, the prevailing party shall be entitled to recover from the losing party reasonable attorney fees incurred in the action, as set by court, at trial, on appeal or review, or by such other tribunal to which the parties may submit any dispute arising hereunder.

7.3 Time of Essence. Time is of the essence in the payment of the Indebtedness and the Performance of the Obligations under and secured by this Trust Deed.

7.4 Reconveyance. When the Indebtedness is paid in full and the Obligations are fully performed, observed and discharged, Beneficiary shall request Trustee to reconvey the Real Property, and shall surrender this Trust Deed and the note evidencing the Indebtedness. The reconveyance will be at Beneficiary's expense.

7.5 Successor Trustee. In accordance with applicable law, Beneficiary may, from time to time, appoint a successor to Trustee or any successor trustee. Upon such appointment and without conveyance to the successor trustee, the latter shall be vested with all title, powers and duties conferred upon Trustee herein.

7.6 Applicable Law. This Trust Deed shall be governed by and construed according to the laws of the state of Oregon.

7.7 Interpretation. In interpreting this Trust Deed, the singular shall include the plural. If Grantors consists of more than one person or entity, each such person and entity shall be jointly and severally liable to pay the Indebtedness and perform the Obligations.

7.8 Severability. In case any one or more of the Obligations shall be invalid, illegal or unenforceable in any respect, the validity of the Indebtedness and remaining Obligations shall be in no way affected, prejudiced or disturbed thereby.

7.9 Modification. This Trust Deed may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing, signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

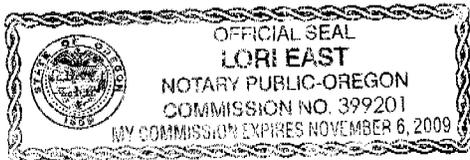
Gregory Michael Colvin
Gregory Michael Colvin

Shelley Gean Colvin
Shelley Gean Colvin
Sgt

STATE OF OREGON)

LE County of Klamath) ss.
~~County of Jackson~~)

This instrument was acknowledged before me on Sept 25, 2008 by Gregory Michael Colvin.

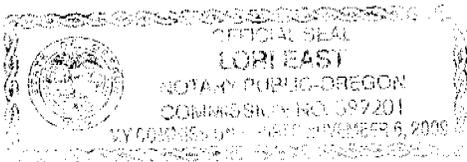


Lori East
Notary Public for Oregon
My Commission Expires: 11-6-09

STATE OF OREGON)

LE Klamath) ss.
~~County of Jackson~~)

This instrument was acknowledged before me on Sept 25, 2008 by Shelley Gean Colvin.



Lori East
Notary Public for Oregon
My Commission Expires: 11-6-09

Lot 13, Block 2, Tract No. 1009, YONNA WOODS, according to the official plat thereof on file in the office of the Clerk of Klamath County, Oregon.

CODE: 153 MAP: 3711-030D0 TL: 01100 KEY: 399679